

Senator Calls On Clinton To Confess Any Lapses

**Key Republican Offers
Advice on How to Avoid
Impeachment Efforts**

By Brian Knowlton
International Herald Tribune

WASHINGTON — A senior senator who has often reflected the views of the Republican leadership in the Monica Lewinsky case strongly urged President Bill Clinton on Sunday to admit to the American people any lapses or improprieties he might be guilty of in the matter, saying that to do so would give him a "reasonable chance" of avoiding impeachment proceedings.

The comments Sunday by Senator Orrin Hatch, a conservative Utah Republican who is chairman of the Judiciary Committee in the upper house, were carefully couched in the conditional. Mr. Clinton has continued to deny the allegations that he had an affair with Ms. Lewinsky and then asked her to lie about it.

But Mr. Hatch said that if the allegations were true and if Mr. Clinton would "admit it and then ask for — ask for, you know, some sort of consideration, I think we would bend over backwards to try and give him that consideration," provided no other serious charges against him emerged.

"If he comes forth and tells it and does it in the right way and there aren't

Monica Lewinsky made a deal in an effort to get her life back. Page 3.

a lot of other factors to cause the Congress to say this man is unfit for the presidency and should be impeached, then I think the president would have a reasonable chance of getting through this," he said.

Mr. Hatch's comments, made in an interview on "Meet the Press" on NBC, came across as a call from an influential Republican for a resolution to the six-month-old crisis that could spare the president and the Congress, as well as the American people, having to sort through seamy charges and potentially unseemly evidence in resolving a serious and embarrassing challenge to the president.

The senator's call came at a time when speculation about a presidential "mea culpa" — to appease the president's critics and lessen the taste among some of them for impeachment proceedings — has been swelling in Washington.

The speculation has grown since Mr. Clinton agreed to be questioned, on Aug. 17 in the White House, by attorneys for Mr. Starr. The appearance will be carried live by closed-circuit television, providing a one-way audio-video feed to the grand jury several blocks away in a federal courthouse. That timing could add to pressure for Mr. Clinton to speak to the public now, Mr. Hatch said.

Talk of a presidential explanation has also been fanned by reports that a dress Ms. Lewinsky turned over to Mr. Starr's office contains a stain that might provide evidence about an alleged sexual encounter with Mr. Clinton. If it did, it would make it difficult for the president

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World Is Racing the Clock to Prevent Computer Catastrophe

By Rajiv Chandrasekaran
Washington Post Service

WASHINGTON — At the McLean, Virginia, headquarters of Freddie Mac, the mammoth housing finance corporation, one in 10 employees has been assigned the painstaking task of poring through 12 million lines of computer coding that runs the company's mainframe computers.

At the Los Angeles International Airport, a dozen technicians have spent weeks finding and documenting every piece of electronic equipment in the 6 million-square-foot (557,400-square-meter) facility, from the basic switches that turn on luggage conveyor belts to the sophisticated security cameras in the international terminal.

The scene is the same at almost every business and government agency around the globe, from giant banks in London to family-run poultry processors in Georgia. The crucial task of repairing computer systems so they will work properly in 2000 has spurred a vast mobilization of people,

money and executive attention with few parallels in history.

With 516 days before Jan. 1, 2000, many of the world's large corporations have yanked hundreds of workers off their regular jobs, hired legions of technical consultants and earmarked millions of dollars for new electronic equipment.

Known in geek-speak as "Y2K" (which stands for "Year 2000") the glitch has become the top management concern at many organizations, dominating boardroom discussions and forcing the postponement or cancellation of other business projects.

Not everyone is persuaded that the situation is so dire, and there is debate over whether those who say it is more like Chicken Little than Paul Revere.

Some dismiss the ominous predictions as alarmist, saying that large companies appear well on their way to solving the problem with time to spare. Even if there are failures at some small businesses, they contend, that will not send the economy into a tailspin.

"If there are glitches, and there always are, companies expect to manage their way through them as they do in power blackouts, and as they did when the AT&T and America Online networks have occasionally shut down," the securities giant Merrill Lynch & Co. said in a research report last month.

"If it happened today, we'd be in serious trouble," said John Ballock, a Y2K manager with Computer Sciences Corp., a technology firm that is helping Freddie Mac fix its systems. "But there's still time to get most of the job done."

Few businesses or government agencies are willing to gamble, and just how much it will cost to vanquish the date problem still is unclear.

The Federal Reserve Board predicts that U.S. businesses will have to spend at least \$50 billion, while Triaxys Research, a consulting firm that has analyzed Securities and Exchange Commission data, estimates that the 500 biggest public U.S. companies alone will have to shell out about \$49 billion.

The federal government, whose price tag for repairs has increased steadily over the last year, must allocate at least \$5 billion to fix its computers.

All told, industry analysts predict that the worldwide bill for the massive repair effort will come in somewhere between \$300 billion and \$600 billion, eclipsing the out-of-pocket costs of such late-20th-century catastrophes as the 1991 Gulf War, the 1993 Midwest floods, the savings and loan bailout in the 1980s and the 1995 earthquake in Kobe, Japan.

"It's one of the most expensive, labor-intensive, time-consuming problems mankind has ever faced," said Ann Coffey, a Y2K analyst at Giga Information Group, a consulting firm in Cambridge, Massachusetts.

The problem stems from the fact that millions of electronic devices — from mainframe computers that process payroll checks to heart mon-

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Tour de France, Bloodied by Drug Scandals, Limps Into Paris

By Samuel Abt
International Herald Tribune

PARIS — A depleted and demoralized Tour de France reached its finish in Paris on Sunday in what riders, officials and observers agreed was a state of crisis for the world's greatest bicycle race and the sport itself.

Their consensus is that the drug scandal that enveloped the three-week race even before it began in Dublin on July 11 has devalued a national icon and will possibly alter the 95-year-old Tour forever.

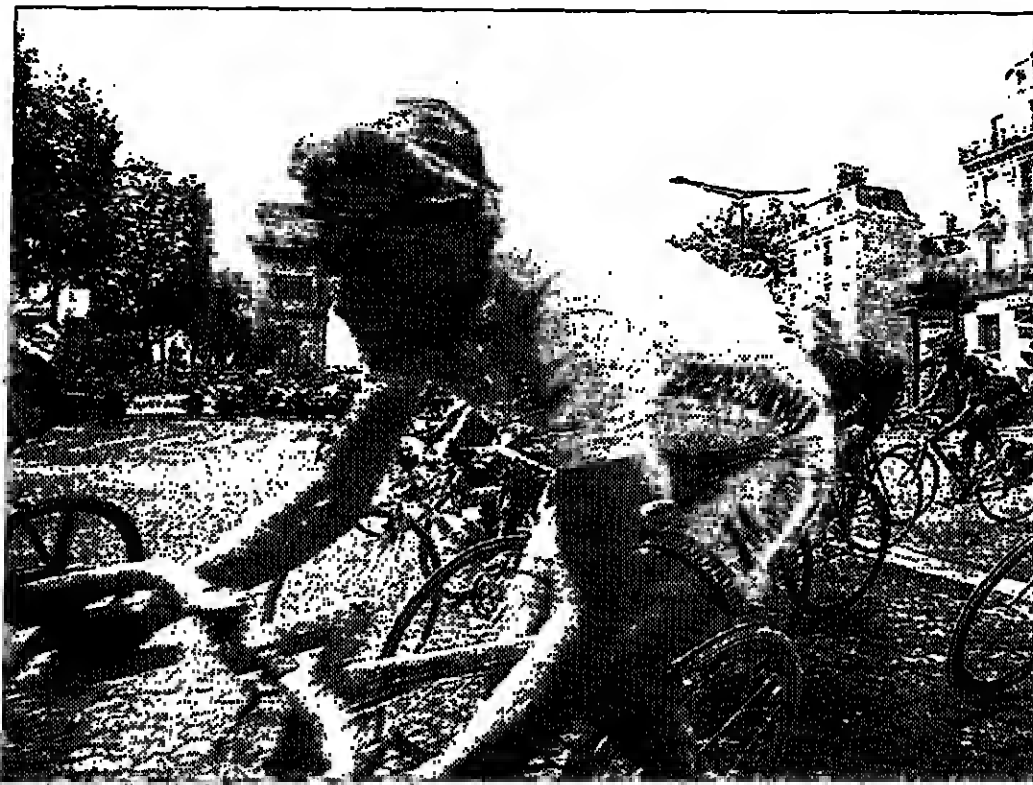
The scandal has also diminished the afterglow of France's triumph last month in the soccer World

France reacts to the scandal. Page 17.

Cup. Instead of a second high, the nation has been confronted by spreading gloom from an unexpected source — its beloved race. The Tour holds a special place in France's heart, attracting an estimated total of 15 million spectators, most of them families, to its roads annually. A billion more are said to watch on global television.

"You can't destroy a myth," insists Jean-Claude Killy, the 1968 Olympic ski champion who is now president of the Societe du Tour de France, the organizers.

Nevertheless, there is talk already of a boycott of the 1999 race by foreign teams, with the Spaniards leading the way. Four Spanish and one Italian team quit the race last week to protest what they regarded as violation of human rights by police



Marco Pantani, who became the first Italian in 33 years to win the Tour de France, racing in the 21st and final stage in Paris on Sunday. The race has been beset by drug scandals.

investigating the use of illicit performance-enhancing drugs.

The scandal, which is believed to be far from over, overwhelmed the athletic side of the race. Marco Pantani, who became the first Italian in 33 years to win the Tour after he dominated his rivals in the Pyrenees and Alps, was consistently forced off front pages by news of drug raids and rider protests.

There was some wonderful racing, including what will become a legendary stage in the rainy and foggy Alps in which Pantani crushed his main rival,

Jan Ullrich, the defending champion, but who will remember it? As Bobby Julich, the American who finished third behind Pantani and Ullrich, a German, said, "10 years down the line you may see an asterisk" next to his result. The riders deserved better, especially Pantani, who accomplished the rare double victory in the Giro d'Italia and the Tour de France two months apart; Julich, who became the first American since Greg LeMond in 1990 to mount the final one-two-three victory podium, and

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U.S. Plan Seeks To Bolster Iraqi Opposition and Topple Saddam

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Directed by Congress to pursue more vigorous efforts to bring down President Saddam Hussein of Iraq, the Clinton administration has responded with a detailed, 27-page plan to rebuild Iraq's shattered political opposition and prepare a case for a possible war crimes indictment of Iraqi leaders.

The plan calls for spending \$5 million, which Congress has already made available, to train opposition groups in organizing and recruitment techniques, to fund a center for exile activities in London and to translate and index millions of captured Iraqi documents for possible use as evidence in a war crimes prosecution.

An additional \$5 million has been used to establish an anti-Saddam "Radio Free Iraq," run by Radio Free Europe/Radio Liberty and housed in Prague.

Senior officials also hinted that a parallel and possibly more ambitious covert effort to subvert the government in Baghdad is under development. They said that they have no illusions that their plan will put an early end to Mr. Saddam's rule, but that they want to support and unify the Iraqi opposition in hopes of fostering an orderly transition to democracy should Mr. Saddam unexpectedly fall.

To help implement the program, the administration has invited the two leaders of rival Kurdish factions in northern Iraq — Massoud Barzani of the Kurdistan Democratic Party and Jalal Talabani of the Patriotic Union of Kurdistan — to visit Washington this year.

Both are damaged goods politically: Mr. Barzani because he allied his forces with Mr. Saddam's army during his 1996 conflict with Mr. Talabani in an operation that led to the destruction of a CIA-backed opposition movement inside Iraq, and Mr. Talabani because he accepted support from Iran in that conflict. But administration officials said they have no choice but to deal with the Kurdish leaders.

"As long as they are prepared to oppose Saddam Hussein, we are prepared to work with them," the assistant secretary of state, Martin Indyk, said last week. "We do it with our eyes open and with a realistic understanding of the way in which, in that part of the world, alliances can shift."

President Bill Clinton, in a June 24 report to Congress, said both Kurdish leaders "have made positive, forward-looking statements on political reconciliation."

But Kurdish leaders also have reason to be

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What If the Worst Happens in Asia? Not So Bad

By Clay Chandler
Washington Post Service

WASHINGTON — Call it the Asian Armageddon scenario: Instead of getting better, Asia's economic crisis just gets worse — lots worse. Policy goofs in Tokyo trigger a run on Japanese markets. Several big Japanese banks go bust. The yen nosedives, China chops the value of its currency and other currencies in Asia plunge anew. And as what once was the most economically vibrant region in the world lurches into depression, a cash-strapped International Monetary Fund can do little more than watch.

Washington Post Service

If that nightmare were to become reality, how much would the rest of the industrialized world suffer?

It would be painful, but not disastrously so.

Clinton proposes an early meeting with Obuchi. Page 4. Relations remain good among the major Asian powers. Page 4.

according to experts at Standard & Poor's DRI, a respected economic forecasting firm based in Lexington, Massachusetts, that uses complex computerized models of the economy to predict the future.

In a newly released study, DRI economists concluded that even under a "worst-case scenario," in which Japan's economy shrinks by 10 percent, China's economic growth rate skids to 1 percent from 8 percent and Indonesia lapses into default on its foreign debts, the United States would experience only a "mild recession," while Western Europe would escape recession and merely grow more slowly.

Any economic forecast is fallible, of course, and computerized models of the sort that DRI uses are notoriously incapable of predicting changes in psychology and confidence that can make the

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China's Latest Campaign War on Smuggling Sounds Noble but Is Political

By Seth Faison
New York Times Service

BEIJING — Ever since the Communist Party took charge here in 1949, China's leaders have thrived on an unending cycle of political campaigns. With quaint-sounding names like Let a Hundred Flowers Bloom or the Cultural Revolution, campaigns were supposed to sound noble. The realities were often horrific.

Worst of all was the Great Leap Forward, Mao Zedong's cockeyed scheme of mass industrialization that destroyed the economy and caused a famine that killed 30 million people around 1960. Yet even in lesser campaigns, the same pattern was repeated: In public, im-

cent victims were persecuted in the name of a bogus ideal; in private, it was actually crass political jockeying that inspired and directed a campaign.

Even with that legacy, political campaigns continue in China today.

As in the past, they sound noble but are purely political. Most ordinary people are now wise enough to ignore them. But the party itself is still clinging to its antiquated ways.

Last month, President Jiang Zemin unveiled China's latest campaign. It targets smuggling, which reached epidemic proportions in China years ago and is a trade dominated by the People's Liberation Army.

True, in this case the target is hardly innocent, but as in other campaigns, larger goals are being pursued. Mr. Jiang wants the nation's military forces to relinquish their vast business operations and, more important, he wants to reassert the authority of the central government.

That authority is being eroded by a variety of factors, including the free flow of information and insidious corruption. Perhaps the biggest question facing China today is whether the Communist Party is becoming vulnerable to an unexpected political jolt strong enough to topple it. People can smell vulnerability.

They smell it today.

"It's just a question of time," said a magazine editor in Beijing. "No one

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AGENDA

Death Toll Hits 80 In Kashmir Clashes

SRINAGAR, India (AFP) — Indian and Pakistani forces traded fierce artillery fire in the disputed Kashmir region for a fourth day Sunday, pushing the death toll from the fighting near 80.

A police inspector in the divided Himalayan state said that at least 29 people, mostly civilians, had died in Indian territory since Thursday. Pakistani officials said 48 people had been killed in their part of the territory.

Each side has accused the other of triggering the fighting.

Hun Sun Presses Rivals for Coalition

Prime Minister Hun Sen of Cambodia, whose Cambodian People's Party is the apparent winner of the parliamentary elections on July 26, has stepped up pressure on his rivals to concede defeat and join him in a coalition. Page 4.

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The IRT on-line www.irt.com



A CRISIS IN SIGHT — A separatist in Kosovo scanning mountains Sunday beyond the town of Velika Hoca. In five months the fighting has spawned a refugee disaster. Page 5.

Napoleon's Fleet Is Found Buried in Seabed Off Egypt

The Associated Press

CAIRO — Two centuries after a historic battle destroyed Napoleon's hopes of crushing the British Empire, the French emperor's fleet has been discovered entombed in the depths of an artificial Mediterranean bay.

Frank Goddio, a French marine archaeologist, said his team was salvaging the flagship of Napoleon's fleet, L'Orient, along with two other French frigates submerged 25 kilometers (15 miles) off the coast of the Egyptian port city of Alexandria.

"It is a magnificent find," Mr. Goddio said Saturday from Paris. "The explosion that sank L'Orient left it scattered all over the bottom of Abu Qir Bay."

The 120-cannon, roughly 2,000-ton (1,800-metric-ton) ship was lost August 1, 1798, in a battle with the British fleet of Admiral Horatio Nelson. Cannon shot set the ship ablaze, and an ensuing explosion in a gunpowder magazine sank it, Mr. Goddio said. All 1,000 sailors and officers aboard died.

"The explosion was heard all the way in Alexandria," Mr. Goddio said.

The first trace of L'Orient came in 1983 with the discovery of the bronze name plate of a ship called "Royal Dauphin." But Mr. Goddio said it was only later that Royal Dauphin was found to be the pre-French Revolution name of L'Orient.

"The discovery, unfortunately, was forgotten for years," he said.

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Newstand Prices	
Bahrain.....1,000 BD	Malta.....55 c
Cyprus.....C £ 1.00	Nigeria.....1,200 Naira
Denmark.....14.00 Dkr	Oman.....1,250 OR
Finland.....12.00 FM	Qatar.....10.00 QR
Gibraltar.....£ 0.85	Rep. Ireland.....IR £ 1.00
Great Britain.....£ 0.90	Saudi Arabia.....10 SR
Egypt.....SE 5.50	S. Africa.....R12 + VAT
Jordan.....1,250 JD	U.A.E.....10.00 Dh
Kenya.....K Sh. 180	U.S. M. (Eur.).....\$ 1.20
Uganda.....700 Fils	Zimbabwe.....Zim\$40.00

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Altered Straights / 'Converting' Homosexuals

A Crusade to Shepherd Men and Women From 'Devil's Temptation'

By Hanna Rosin
Washington Post Service

WASHINGTON — "Write this down for all the boys in Dupont Circle," says the ginger-haired young man in the slouchy pants and T-shirt. "Because I was their toy for six years and now I want them to know what's happened to me." He takes a notebook and writes it down himself for emphasis. "My name is C-O-R-E-Y W-E-L-C-H and I'm free, free from the gay lifestyle," he tells a reporter, raising his arms in exalted ballelujah. "And I've never been happier."

In only two months, Mr. Welch has escaped from what he considers the clutches of a depraved underworld centered on Dupont Circle, a Washington neighborhood with a large gay population, and entered the welcoming arms of the Transformation Christian Ministries, a non-denominational outreach group that shepherds gay men and women away from the 'devil's temptation.' In human terms, he went from a boyfriend he describes as abusive to a girlfriend he calls a woman of God.

Mr. Welch's story, he hopes, will inspire some of the 30 people seated in a circle of metal folding chairs one recent evening for the ministry's weekly group session — the married man with five children, the 62-year-old with AIDS, the former male prostitute who claims he has slept with 6,000 men, the guilt-tormented lesbian, the man whose sexual urges have driven him to the brink of suicide.

Twenty years ago, groups trying to convert homosexuals to heterosexuality were a fringe element, promoted mainly by a devout passel of evangelicals and Mormons who argued that gays could be "healed" with the proper therapy and religious counseling. But over the strong objections of mainstream psychologists and the angry protests of gay-rights activists, the movement has grown substantially. There are now some 100 groups across the country, attracting thousands of potential converts.

The movement has also gained the support of several national religious and political leaders, who see it as an effective way to deliver an anti-homosexuality message but with a more compassionate tinge. Last month, a coalition of religious groups, including the Christian Coalition, took out newspaper advertisements featuring testimonies from former homosexuals.

When the gay conversion movement lived on the fringe, homosexual groups regarded its adherents as oddities, vulnerable, confused kids preyed on by religious zealots. But now that it is being embraced by large, national religious groups, now that its apostles make all so-called boldouts seem like walking symbols of the moral decline of America, gay-rights groups are declaring war. Conversion therapy not only does not work, they say, but destroys the fragile



Anthony Falzarano directs a group that seeks to change people's sexual orientation.

psyches of those it is meant to help.

"It's the equivalent of putting leeches on someone to cure them," said Wayne Besson of the Human Rights Campaign, the nation's largest gay-rights group.

As the debate has taken shape, much of the focus has been on whether it is actually possible to permanently alter a person's sexuality. In the last 30 years, the nation's mental health community has overwhelmingly rejected the notion: "Therapy directed specifically at changing sexual ori-

entation," reads a position paper of the American Academy of Pediatrics, "can provoke guilt and anxiety" while producing "little or no change" in orientation. In a landmark 1973 decision, the American Psychiatric Association declassified homosexuality as a mental illness.

Nonetheless, the movement has forged ahead, though with gentler methods than were used in the past. When Corey Welch mentions that at age 16, his Mormon parents shipped him off to a clinic that practiced 1950s-style shock therapy, the leader of the Transformation group, Anthony Falzarano, winces in disgust.

The new breed of counselors see themselves as benevolent healers, soothing nurses for tortured souls. As they see it, people drawn into the gay lifestyle were given the temptation through no fault of their own. But they maintain that it is a sin not to fight the devil and that they are there to help.

The conversion theorists attribute homosexuality to early childhood traumas, such as sexual abuse — one modern conversion therapist asserts that 85 percent of lesbians were molested as children. If not abused, the theory goes, homosexuals must have been traumatized by a distant, absent father and responded by clinging unnaturally to a doting mother. The trauma leaves them unable to identify with their own gender, so they seek their own missing qualities in other members of the same sex.

Though the genesis of homosexuality remains unclear, psychiatrists generally believe it has some genetic component and virtually all reject the presence of early childhood trauma as the sole cause.

Conversion groups use a combination of individual and group therapies, and often prayer, in hopes of steering their patients toward heterosexuality. Patients are encouraged to have "fellowship" with other former homosexuals, and avoid the company of their old gay friends.

The methods of each group differ slightly. Exodus International is a network of mostly evangelical ministries to which Transformation belongs, and Evergreen is its Mormon counterpart. Courage, a Roman Catholic group, counsels homosexuals to be abstinent. Homosexuals Anonymous is a Christian fellowship patterned on Alcoholics Anonymous, and NARTH, the National Association for Research and Therapy of Homosexuality, is a coalition of secular psychiatrists who practice what is known as reparative therapy. There are also more fringe groups like Life Ministries, which practice exorcism to cast out what they see as the gay demons.

Many of the ministries encourage their clients to conform to gender stereotypes. At annual meetings of Exodus, men play football and basketball. They are taught to change how they sit — not with one leg over another, or with their knees touching, but with one ankle placed firmly over the other knee. For women, there is a makeover room called Outward

Reflections of Inner Wholeness, where counselors fuss over their hair and nails.

The psychiatric association argues that conversion therapists are tainted by "ideological" bias, and that there is no scientific research indicating that therapy works. Most reparative therapists claim a quarter to a third of their patients describe themselves as heterosexual after treatment. But none have conducted follow-up studies to prove that the effect lasts. In the only thorough review of all the studies on conversion therapy, Douglas Haldeman, a Seattle psychologist, concluded that the evidence for its effectiveness is "less than compelling."

THE MOST WELL-KNOWN study, conducted in 1980 by a group of social researchers, selected 30 clients out of 300 at one Christian ministry. Nineteen patients refused to do follow-up interviews. Out of the remaining 11, only three reported having no homosexual fantasies or desires. The remaining eight reported having "neurotic conflicts" about their sexual identity.

As role models, ministry leaders also provide mixed guidance. Many, like Mr. Falzarano of Transformation Ministries, say they have been happily married for years. But the movement has some high-profile defectors. For Michael Busse and Gary Cooper, who co-founded Exodus in 1976 — each marrying and having children while in the ministry — the unthinkable happened: They fell in love. They only admitted it to each other on a plane ride to Indianapolis, where they were scheduled to give a talk to a ministry. On the plane, they rewrote their speech and told the audience that God had to unconditionally love them for who they were.

They both remained active Christians, and like a growing number of homosexuals, they became committed members of churches that teach that God accepts them as they are. Their story ends happily, but not all do. Many people who went through conversion therapy say it left them more depressed and confused, taught them to internalize their own lives but the lives of the men and women they were encouraged to marry. "When I found myself calling the suicide hotline I knew it was time to get out," said Tom Otosen, who lived in a California ex-gay ministry for two years.

But for all those still fighting their desires, like the men and women at Transformation Ministries, stories like Mr. Otosen's are just more roadblocks on the path to redemption. Reconciling their faith with their homosexuality is not an option for them, and God, they say, will show them the way out. "When Satan reminds you of your past," reads a hand-stenciled sign on the wall of the ministry, "remind him of his future."

BUG: Billions Being Spent to Prevent Computer Disaster in 2000

Continued from Page 1

itors in hospital intensive-care units — were programmed to process only the last two digits of a year, assuming that the first two would be 1 and 9. That convention was first adopted as a cost-saving measure decades ago when computer memory was at a premium and every character counted. Later on, many programmers continued to use the two-digit date shortcut through force of habit.

But when the millennium arrives, the machines will understand the year "00" not as 2000 but 1900 in their calculations, potentially causing them to shut down or stop working properly.

The good news is that the date shortcut will not have a significant impact on most consumer electronic devices. Some personal computers will be affected, but they can be repaired with software "patches" freely available on the Internet. Even on larger systems — particularly old, clunky mainframes — fixing the computer code is a straightforward process, at least in concept.

But with those systems — and especially with smaller, specialty devices like heart monitors, the brains of which are contained in a tiny microchip embedded somewhere inside the shoebox-size unit — rooting out every occurrence of the glitch, performing the repairs and testing the fixes is incredibly time-consuming.

As a result, a growing cadre of computer experts and business analysts is issuing gloom-and-doom predictions about the state of the world in January 2000. The scenarios start with minor disruptions in daily life: Airplane flights will be delayed, phone service won't work in some countries, traffic lights won't be timed properly, factory workers will need to fill out their timecards by hand.

Other forecasts warn that the sky will fall: Power failures will be widespread, assembly lines will grind to a halt, automated teller machines won't work, government checks will be delayed, hundreds of businesses will go bankrupt.

Many of those ringing the warning bell are the techies trying to fix the problem. More than 50 percent of technology professionals recently polled by Chief Information Officer magazine said they would not fly on a commercial airplane on Jan. 1, 2000. Another survey, conducted by the Gartner Group consulting firm, found that 38 percent of computer industry executives are thinking about withdrawing their personal assets from banks and investment companies.

Much of that fear stems from what businesses and government agencies are — and are not — reporting. As of June 30, only 85 of the 500 largest publicly traded U.S. companies had heeded a recommendation by the securities commission that they disclose estimated Y2K costs. Those that did, however, said they had spent only 25 percent of the money they have budgeted for the problem.

"That's scary," said Steven Hock, the president of Triaxys in Missoula, Montana, which has analyzed the disclosures. "Spending is supposed to keep pace with the repair work. That means many of these guys are still only a quarter of the way there."

The numbers are similarly sobering for the U.S. government: Only 40 percent of its 7,336 "mission critical" systems have been fully repaired; still remaining to be fixed are many that control air traffic, process income-tax returns and handle Medicare payments.

But the Federal Aviation Administration said last week that it had fixed

67 percent of all systems regarded as "mission critical," Reuters reported. According to one survey, more than 4 in 10 American companies already have encountered Y2K-related system failures.

When Phillips Petroleum Co. ran a Y2K test on an oil rig in the North Sea, a safety system to detect emissions of deadly hydrogen sulfide gas shut down. And last year, when Chrysler Corp. turned clocks forward at one of its assembly plants to simulate the year 2000, the security system failed, preventing people from leaving the building.

Among the companies already reporting to the SEC, some staggering repair bills are anticipated. General Motors Corp., the largest company in the United States, expects to spend \$565 million. The expenses are forecast to reach \$500 million at Philip Morris Cos., \$600 million at Citicorp, and \$400 million at MCI Communications Corp. At the same time, those companies and others say they are on track to have the problem licked before December 1999.

If every organization fixes its important systems in time, economists say,

'It's one of the most expensive, labor-intensive, time-consuming problems mankind has ever faced.'

the Y2K glitch — even with a worldwide repair tally of \$600 billion — will not have a dramatic impact on the global economy. But many technology specialists contend that an on-time repair is unlikely, particularly for small businesses and foreign companies, which are well behind the Fortune 500 in dealing with the problem.

"There's too much that needs to be fixed and not enough time to do it," said Edward Yardeni, chief economist for Deutsche Bank Securities.

Consequently, Mr. Yardeni maintains that there is a 70 percent chance the U.S. economy will suffer a slowdown as bad as the one caused by the 1973-74 oil crisis. "Computers are just as vitally important for running our economy as oil," he said. "It's not going to be doomsday, but it will be a wicked recession."

For Freddie Mac, like many businesses, fixing the Y2K problem is a matter of life and death. The company, chartered by Congress but owned by stockholders, buys home mortgages from banks and sells them as securities on Wall Street, a process that is designed to give the banks money to make more home loans. Buying more than a million mortgages a year and processing the associated securities require colossal computer systems, all of which rely on dates — when a loan was issued, when it will expire — to make the right calculations.

To manage its \$164 billion financial portfolio, the company has 1,200 pieces of software on its mainframe computers, totaling 12 million lines of code. Then there are more than 3,000 personal computers, many of which have spreadsheet and other applications that need revision. Everything needs to be checked and, executives have realized, almost everything needs some work.

"I don't think we've ever done anything this big — ever," said Jean Steele, a Freddie Mac vice president who oversees the Y2K project, which is likely to cost the company \$50 million to \$75 million.

Freddie Mac started its Y2K efforts in 1994 — far earlier than many others in corporate America — and has about 75

percent of its systems fixed. Repairing the other 25 percent and testing everything occupies 320 of the company's 3,300 employees.

Technology specialists say only a tiny fraction of embedded chips — fewer than 2 percent, by some estimates — have a date problem. But identifying those is particularly difficult given that an estimated 7 billion embedded chips were shipped just last year.

Compounding the challenge is the fact that many corporate computer systems managers did not consider embedded devices when they began pondering the Y2K issue. That is because security systems, elevators and automated manufacturing equipment do not fall under the domain of the computer department in many companies. The scramble to find and fix embedded systems has only recently begun.

Some embedded device manufacturers have yet to disclose whether their products have problems, industry executives say. The situation is particularly dire in the health care industry, where a coalition that includes the Department of Veterans Affairs, the American Medical Association and the American Hospital Association took the unusual step last month of publicly rebuking the medical-device manufacturing industry for the slow pace of notification.

Technology specialists say that as slowly as big business seems to be responding, most small companies have responded even more slowly. A recent survey of 500 small businesses conducted by Wells Fargo Bank, for example, found that 22 percent of companies were not even familiar with the problem. Among those aware of it, roughly half said they intended to do nothing.

Industry analysts raise similar concerns about foreign governments and businesses. In Europe, companies are struggling to convert their systems to handle the new euro currency; in Asia, the financial crisis has made it tougher for organizations to pay for needed repairs. "The greatest risks will come internationally and from small to medium-sized organizations," said John Koskinen, the White House's Y2K czar.

"There is still a big uncertainty factor," he said.

To combat that uncertainty, the U.S. government is pushing companies to be more candid about discussing their repair work, detailing the risks involved and sharing technical information with business partners — even competitors. The Justice Department issued a letter in June stating that cooperation among industry rivals on the issue would not violate federal antitrust laws. Last week, the SEC decided to start forcing companies to file more meaningful disclosure statements about the costs and progress of their repair work. Also last week, the Clinton administration introduced "Good Samaritan" legislation to immunize businesses from lawsuits if they share information about the problem.

Despite Freddie Mac's efforts, both internally and externally, there is apprehension. To prepare for the unknown, the company's managers have been taking part in military-style drills and simulations.

"It's Jan. 3 and one of our biggest banking partners is down, we've got a telephone problem, the parking gates won't open and there's a big snowfall forecasted for the next day," said Michael Censky, Freddie Mac's Y2K program director. "What would we do?"

"We're trying to stay prepared," he added, "because it's impossible to know what will happen."



Taber Shritche, who still cannot travel to Israel.

Israel Lets Palestinian Go Abroad

Reuters

JERUSALEM — Israel agreed Sunday to allow an award-winning Palestinian journalist, barred from leaving Gaza during most of the last four years, to travel abroad but not to enter Israel.

A lawyer from the state attorney's office, announced the lifting of the ban during an Israeli High Court hearing on a petition filed by Taber Shritche, 37, who has worked for Reuters, The New York Times, CBS News and the BBC.

But no decision was reached on Mr. Shritche's main request — to enter Israel for work and to cross Israel to reach the West Bank. Israel says Mr. Shritche was active in the Islamic militant group Hamas, an allegation

he denies. Mr. Shritche has said the only contact he had with Hamas involved his work as an independent journalist.

"I am not affiliated with Hamas in any way and I don't even identify with the group's goals," Mr. Shritche said in an affidavit.

"He is no longer barred from leaving through Rafah," said Fein Niznan of the state attorney's office, referring to the Israeli-controlled crossing point between the Gaza Strip and Egypt.

Mr. Shritche has reported from Gaza since 1987 and was awarded the International Freedom of the Press Award in 1993 by the National Press Club in Washington. Over the years he has been jailed by both Israel and the Palestinians.

TRAVEL UPDATE

Masterworks Displayed At Moscow Museum

MOSCOW (AP) — More than 60 masterpieces from some of the world's leading museums have gone on display to mark the 100th anniversary of the Pushkin Museum of Fine Arts.

The exhibit includes works by Rembrandt, Van Gogh, Matisse and Picasso as well as works by Russian painters.

Paintings were loaned by the Louvre in Paris, the Tate Gallery and British Royal Academy in London, the Metropolitan Museum and the Museum of Modern Art in New York, the National Gallery in Washington, the National Gallery in Berlin, the Prado in Madrid, the Vatican museums, the Hermitage in St. Petersburg and others.

Lisbon has declared war on pigeons, dogs and garbage cans, as part of a citywide cleanup. The new rules are backed by stiff fines: 56,000 escudos (\$306) for allowing a dog to foul the sidewalk, for example.

Traffic clogged highways in Spain

this weekend as vacationers took to the roads, creating jams up to 50 kilometers (30 miles) long. The worst congestion occurred Saturday morning as Madrid residents headed for beaches in the Valencia region.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national or religious holidays:

MONDAY: Australia, Bahamas, Barbados, Equatorial Guinea, Grenada, Guinea-Bissau, Iceland, Ireland, Macedonia, Niger, Zambia.

TUESDAY: Burkina Faso, El Salvador, Grenada.

WEDNESDAY: Burkina Faso, Croatia, El Salvador.

THURSDAY: Bolivia, El Salvador, Jamaica, United Arab Emirates.

FRIDAY: Bahrain, Colombia, Israel, Ivory Coast, Saudi Arabia, Sri Lanka.

SATURDAY: Iraq, Tanzania.

Sources: J.P. Morgan, Bloomberg, Reuters.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe				Asia			
City	High	Low	Forecast	City	High	Low	Forecast
Algeria	20/18	14/12	C	Almaty	18/12	8/2	C
Amsterdam	20/18	14/12	C	Bangkok	32/28	24/18	C
Antwerp	20/18	14/12	C	Beijing	30/26	22/16	C
Athens	30/26	20/16	C	Bombay	34/30	26/16	C
Batavia	30/26	20/16	C	Buenos Aires	30/26	22/16	C
Bombay	34/30	26/16	C	Calcutta	34/30	26/16	C
Buenos Aires	30/26	22/16	C	Chengdu	30/26	22/16	C
Calcutta	34/30	26/16	C	Chongqing	30/26	22/16	C
Chengdu	30/26	22/16	C	Colombo	30/26	22/16	C
Chongqing	30/26	22/16	C	Dacca	30/26	22/16	C
Colombo	30/26	22/16	C	Delhi	30/26	22/16	C
Dacca	30/26	22/16	C	Hankow	30/26	22/16	C
Delhi	30/26	22/16	C	Hong Kong	30/26	22/16	C
Hankow	30/26	22/16	C	Int'l	30/26	22/16	C
Hong Kong	30/26	22/16	C	Japan	30/26	22/16	C
Int'l	30/26	22/16	C	Kobe	30/26	22/16	C
Japan	30/26	22/16	C	London	20/18	14/12	C
Kobe	30/26	22/16	C	Manila	30/26	22/16	C
London	20/18	14/12	C	Medan	30/26	22/16	C
Manila	30/26	22/16	C	Osaka	30/26	22/16	C
Medan	30/26	22/16	C	Perth	30/26	22/16	C
Osaka	30/26	22/16	C	Phnom Penh	30/26	22/16	C
Perth	30/26	22/16	C	Port Moresby	30/26	22/16	C
Phnom Penh	30/26	22/16	C	Rangoon	30/26	22/16	C
Port Moresby	30/26	22/16	C	Seoul	30/26	22/16	C
Rangoon	30/26	22/16	C	Singapore	30/26	22/16	C
Seoul	30/26	22/16	C	Singapore	30/26	22/16	C
Singapore	30/26	22/16	C	Taipei	30/26	22/16	C
Singapore	30/26	22/16	C	Tokyo	30/26	22/16	C
Taipei	30/26	22/16	C	Ulaanbaatar	30/26	22/16	C
Tokyo	30/26	22/16	C	Yokohama	30/26	22/16	C
Ulaanbaatar	30/26	22/16	C				
Yokohama	30/26	22/16	C				

THE AMERICAS

What Lewinsky Wants: To Get Her 'Life Back'

Her New Lawyers Transformed Negotiations
With Starr, Leading to Deal for Testimony

By Don Van Natta Jr.
and Jill Abramson
New York Times Service

WASHINGTON — Disguised by a blond wig and sunglasses, Monica Lewinsky boarded a flight July 26 in Los Angeles, an anonymous beginning to a 48-hour odyssey that transformed the legal and political dynamics of the independent counsel's four-year investigation of President Bill Clinton.

The next day in New York, Ms. Lewinsky met secretly with Kenneth Starr's team at an East Side apartment belonging to the independent counsel's mother-in-law. Mr. Starr was not present.

After a five-hour debriefing and a late-night drive to Washington, Ms. Lewinsky signed an immunity deal Tuesday that freed her from legal peril. But it also confronted Mr. Clinton and his presidency with a new series of questions that he will face in grand jury testimony Aug. 17 at the White House.

Ms. Lewinsky, a former White House intern who turned 25 on July 23, has moved a step closer to a cherished goal. "For my birthday," Ms. Lewinsky had told her family, "I want my life back."

In fact, on her birthday, Ms. Lewinsky was told by her new lawyers, Jacob Stein and Plato Cacheris, that Mr. Starr had called, breaking weeks of silence and offering to reopen immunity talks.

The story of Ms. Lewinsky's journey from target to cooperating witness was culled from more than a dozen interviews last week. A Starr-Lewinsky alliance that seemed unlikely as recently as last month was put together by a cast of lawyers, some of whom have received no public attention.

Ms. Lewinsky found a mentor in Sydney Hoffmann, a 46-year-old lawyer in the Cacheris firm. Ms. Hoffmann was able to lead a critical round of questioning that bolstered Ms. Lewinsky's credibility with the Starr team. Sam Dash, the former Senate Watergate counsel who has advised Mr. Starr on ethics issues, also played an important role.

But two of the most pivotal players in the legal drama were a pair of seasoned criminal defense lawyers, Mr. Stein, 73, and Mr. Cacheris, 69, who have represented Ms. Lewinsky only since June 2. The two Washington insiders, who work for different law firms, broke a six-month deadlock of bad blood between Mr. Starr's prosecutors and Ms. Lewinsky's first lawyer, William Ginsburg.

The negotiations opened with an offer from Mr. Starr that Ms. Lewinsky would be "queen for a day," an ironic term of the legal arts that allowed Ms. Lewinsky to tell her complete story to prosecutors — but with a promise that nothing she said could be used against her if Mr. Starr remained unsatisfied with the level of her cooperation and declined to grant immunity.

Despite the resulting legal coup last week, Mr. Stein and Mr. Cacheris are somber, perhaps because, like Mr. Dash, they are veterans of Watergate. "There was nothing to celebrate," Mr. Stein said in an interview. "None of this called for a party. This is a tragedy."

In January, Ms. Lewinsky was con-

fronted by agents from the FBI and lawyers working for Mr. Starr who questioned her for hours. They threatened to prosecute her for perjury by using her taped confessions to a friend about an affair with the president — a relationship that she had denied in sworn testimony in the Paula Jones case.

The lawyers and agents told Ms. Lewinsky that she could avoid prosecution if she agreed to secretly record her conversations with Betty Currie, the president's personal secretary, and with the president. She declined.

Later, to defend his client, Mr. Ginsburg submitted a proffer — a statement of expected testimony — for Ms. Lewinsky that confirmed a sexual relationship with the president, lawyers said. But the proffer did not say that the president or his allies had encouraged Ms. Lewinsky to lie under oath.

That account did not satisfy Mr. Starr.

Ms. Lewinsky was instrumental in the decision to dismiss Mr. Ginsburg, and it was Marcia Lewis, Ms. Lewinsky's mother, who read about Mr. Stein in a New Yorker magazine profile and suggested approaching him.

Mr. Stein and Mr. Cacheris decided to change the tenor of Ms. Lewinsky's stance. In June, they paid a courtesy visit to Mr. Starr. Mr. Stein talked in tough but measured terms with Mr. Starr.

"I have one good trial left in me," Mr. Stein recalled saying, "and I'm going to put it at Monica's disposal."

Those words sent a clear message to Mr. Starr's prosecutors: Ms. Lewinsky was prepared to fight an indictment.

For Mr. Starr, Mr. Stein's remark also increased the pressure to work out a deal with Ms. Lewinsky. Mr. Starr knew that if Ms. Lewinsky was indicted, a trial would most likely delay his final report for a year or longer.

On July 21, Starr telephoned Mr. Stein and suggested a meeting. The next day, Mr. Stein and Mr. Cacheris met at the independent counsel's office with Mr. Starr and Mr. Dash. Afterward, Mr. Stein and Mr. Cacheris sent a proffer letter that outlined what Ms. Lewinsky was prepared to say under oath.

As it turned out, the new proffer was not that different from the one Mr. Ginsburg prepared, but the climate had changed. "We trusted each other," Mr. Cacheris said, "and trust had been a problem in this case."

Mr. Starr responded with his "queen for a day" offer, and the two sides agreed to the New York meeting.

After the July 27 meeting, Mr. Starr left a message on Mr. Stein's answering machine. Ms. Lewinsky had been deemed credible. There was the basis for a transactional immunity agreement, which is full and blanket protection from prosecution unless prosecutors find that Ms. Lewinsky had lied to the grand jury.

The next day, Mr. Cacheris and Mr. Stein went to Mr. Starr's office to pick up the immunity agreement, which Mr. Starr had signed. They brought it back to their offices, where Ms. Lewinsky signed it just before Mr. Stein and Mr. Cacheris announced it.



Fidel Castro of Cuba, laying a wreath at a memorial in Bridgetown, Barbados, to the 73 victims of a bombing of a Cuban airliner in 1976.

POLITICAL NOTES

Clinton Makes Plea For 'Patients' Rights'

HAUPPAUGE, N.Y. — President Bill Clinton, scrambling to salvage a White House proposal to expand protection of managed health care participants, has assailed the Republican Congress for pushing legislation that would limit the right of patients to sue health insurers.

Mr. Clinton devoted his weekly radio address Saturday to the dim prospects for congressional passage of a comprehensive "bill of rights" for the 160 million Americans enrolled in managed care health plans.

Legislation favored by Republican leaders represents an "empty promise," Mr. Clinton said, because it would exclude many health insurance plans, restrict access to specialists and narrow the rights of patients to appeal coverage decisions by health maintenance organizations and collect damages.

Senator Susan Collins of Maine, who delivered the Republican response, said the Republican approach would expand protection of managed care patients without opening the door to costly lawsuits, which could cause health care expenses to rise and leave some consumers without coverage. (LAT)

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year was reached in May. The next fiscal year begins Oct. 1. (WP)

Ruling Clears Way For Trial of Cisneros

WASHINGTON — A federal judge has refused to dismiss an 18-count indictment filed against Henry Cisneros, a former housing secretary.

This clears the way for his trial in November.

Mr. Cisneros was charged, after an investigation by an independent counsel, David Barrett, with lying to the FBI about paying \$250,000 in cash money to a former mistress before and after his confirmation as housing secretary in January 1993.

Judge Stanley Sporkin of the District Court here issued a strongly worded order Friday that denied 21 motions filed by Mr. Cisneros's lawyers. (WP)

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A Touring Castro Seeks Closer Caribbean Ties

Cuban Visits Grenada, Site of U.S. Invasion

By Larry Rohter
New York Times Service

ST. GEORGE'S, Grenada — Underlining the failure of U.S. efforts to isolate Cuba diplomatically, Fidel Castro is on a triumphant tour of the English-speaking Caribbean, including this tiny island nation where U.S. troops expelled Cuban forces nearly 15 years ago.

All visible traces of that conflict, the only time Americans and Cubans have ever directly confronted each other, are gone now. So too, at least in theory, is the Cold War, which for a few days in October 1983 made this country of barely 100,000 people a bloody battleground.

But when Mr. Castro landed here Sunday at Point Salines airport, an old struggle was set to resume on different terms. The airport was partly built by Cuban workers, and for that reason it was condemned by the Reagan administration as a base for Castroite subversion.

Now, Havana is once again actively jockeying for influence in the region, to the delight of ministrates unhappy with Washington.

The trip is part of a Cuban campaign to strengthen trade and political ties with its smaller neighbors in the wake of the collapse of the Soviet Bloc. But the warming relations also reflect growing impatience of English-speaking Caribbean leaders with what they see as Washington's lack of interest in their development, along with its rigidity toward Mr. Castro.

"We are implacably opposed to the economic blockade of Cuba, which is morally wrong," Prime Minister P.J. Patterson of Jamaica said at a rally this week in Montego Bay at which Mr. Castro was presented with the keys to the city.

The blockade, Mr. Patterson said, "constitutes a threat to the sovereignty of other states." He also said he found it lamentable that "shadows of Cold War hostilities continue to haunt us in this hemisphere."

Since early 1997, Prime Minister Keith Mitchell of Grenada and leaders from Barbados, Dominica, Jamaica, St. Kitts and Nevis, and St. Vincent and the Grenadines have visited Havana. The pace of the regional renewal of relations has intensified since Pope John Paul II visited Cuba in January and urged the world to "open itself" to Cuba, and vice versa.

If only to protect their own interests, small Caribbean nations prefer to engage Cuba rather than to ignore or isolate it. They see Cuba, with its 11 million people, as a strong competitor for the tourist dollar and — looking ahead to a more open post-Castro era — a potential rival for foreign investment.

Mr. Castro's itinerary during a six-day swing appears intended to maximize his opportunities to play the role of avuncular and benevolent regional elder statesman. During his two days in Grenada, his most controversial stop, Mr. Castro will dedicate a plaque at the Point Salines airport, honoring the contribution of Cuban "internationalists."

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Away From Politics

• The U.S. prison population increased by more than 61,000 inmates last year to a record of nearly 1.25 million state and federal prisoners, the U.S. Justice Department said. In the last seven years, the nation's prison population has soared by more than 60 percent, increasing by more than 470,000 inmates. (Reuters)

• A 6-year-old camper was pulled from the jaws of a mountain lion by a 16-year-old counselor who likely saved the youngster's life, officials said in Missoula, Montana. Danna theme park in Vallejo, California. She was listed in fair condition in a hospital after surgery. (AP)

• The good news for parched Texas is that July is over, the second-hottest July in state history. The state's average high for July was 102.3 degrees, trailing only the 1980 average of 105.3 degrees. The forecast for the early part of August is for more of the same, said Krista Villareal, a meteorologist with the National Weather Service in Fort Worth. (AP)

• A Bengal tiger mauled a woman after she fell and startled the animal while posing with the cat at an animal park in Vallejo, California. She was listed in fair condition in a hospital after surgery. (AP)

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AMERICAN TOPICS

Utah Governor Backs Off From Defense of Polygamy

The governor of Utah, which is home to the nation's largest concentration of Mormons, recently touched off angry debate by suggesting that the practice of polygamy may be a protected religious freedom. Now he has stepped back from that stance.

Governor Mike Leavitt said earlier that while any illegal abuses committed by polygamists should be aggressively prosecuted, the practice of polygamy, which is rooted in early Mormon doctrine but which the church banned nearly a century ago, might be protected by the U.S. Constitution. Perhaps 30,000 members of breakaway Mormon sects practice polygamy,

many in remote enclaves in Utah.

Under pressure for his earlier comment, Mr. Leavitt said Friday that the practice of polygamy was against the law "and should be." He did not, however, advocate more aggressive prosecution of the crime. Mr. Leavitt said that federal, state and local prosecutors had told him the ban on polygamy, like those against adultery and sodomy, is virtually unenforceable.

The church banned polygamy in 1890, without actually renouncing it, and an anti-polygamy clause was incorporated in the Utah Constitution as a condition for statehood. But because of the sensitivities of the issue, Mormon and non-Mormon leaders in Utah have refrained from vigorously prosecuting the ban.

Short Takes

Days after the U.S. Supreme Court allowed Mayor Rudolph Giuliani to crack down on X-rated businesses, New York has raided and padlocked three strip clubs. The court's action ended an extended legal battle over the

city's attempts to enforce zoning regulations as a way to control pornography shops, massage parlors and out-dancing establishments. Those rules ban such businesses from operating within 500 feet (150 meters) of homes, houses of worship, schools, day-care centers or one another.

Six Alabama women have filed a federal lawsuit to block a new state law that bans the sale of sex toys. The American Civil Liberties Union, which filed the suit on the women's behalf, called the ban an invasion of privacy. "No one wants the government in their bedroom," said Sherri Williams, one of six plaintiffs. Ms. Williams owns two Alabama stores that sell sex devices. Another plaintiff, B.J. Bailey, sells similar items at in-home gatherings. The law, which took effect July 1, makes it a misdemeanor to distribute "any device designed or marketed as useful primarily for the stimulation of human genital organs."

Brian Knowlton

New Uncertainties on Autopsy of JFK

By George Lardner Jr.
Washington Post Service

WASHINGTON — Notes taken at the autopsy of President John F. Kennedy by one of the examining physicians apparently disappeared that night, and the whereabouts of previously unknown photographs of Mr. Kennedy's wounds remain a mystery, according to medical records and testimony.

The Kennedy Assassination Records Review Board made the documents public along with an extraordinary staff report underscoring the shortcomings of the autopsy performed on Mr. Kennedy at Bethesda Naval Hospital in Maryland on Nov. 22, 1963.

In an effort to compile a more complete record of the autopsy, the review board sought out additional witnesses and found, among others, Leonard Saslaw, a biochemist who recalled a loud lunchroom conversation between one of the autopsy physicians, Pierre Finck, and colleagues at the Armed Forces Institute of Pathology, days after the assassination.

Mr. Saslaw, who was sitting at the next table, said, "Dr. Finck was loudly lamenting the fact that the notes he had taken during the course of the autopsy on President Kennedy had disappeared and that he had been forced to reconstruct his notes from memory."

"Dr. Finck complained," Mr. Saslaw told the board in an April 1996 interview, "that

By Michael Richardson
International Herald Tribune

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Kosovo War Spawns A Refugee Disaster

A 'Massive Emergency' as Fighting Has Forced 10% of Population to Flee

By R. Jeffrey Smith
Washington Post Service

PRISTINA, Yugoslavia — The Yugoslav capture of a town in Kosovo known as Malisevo took only hours. The effort began in the morning. Largely because of a decision by ethnic Albanian rebels to withdraw without a fight from the town's center, the operation was wrapped up in time to be broadcast as a Serbian triumph on the evening news in Belgrade.

But Western diplomats and nongovernmental groups in Kosovo now say they will probably be dealing with the potentially devastating aftermath of that day for months, if not years, to come. By advancing on the town and pushing tens of thousands of terrified civilians from Malisevo into remote hamlets and mountains, where they are vulnerable not only to weather but also to continued armed conflict, the Yugoslav military provoked a watershed event in the five-month conflict and gravely increased the risk of disaster, these diplomats and groups say.

The exodus added to an immense burden of people displaced in Kosovo Province, where ethnic Albanians are battling for independence from Serbia, Yugoslavia's dominant republic. It focused new international attention on an emerging health and economic crisis in Kosovo. It regenerated American and European pique over the behavior of the Yugoslav government. Some U.S. officials privately called for finding new ways to press the government into halting its destruction of towns and displacement of civilians.

No one knows how many people have been forced from their homes by the conflict since March, but many experts agree that with the exodus from Malisevo, the total probably exceeds 200,000.

The number is roughly one-tenth of the province's total population, 2 million. The number is absolutely smaller

but comparable proportionally to those displaced in Cambodia during 10 years of civil war, to those displaced by the continuing civil conflict in Sudan and to those displaced by the 1992-94 crisis in Somalia.

"Any time you have 10 percent of the population displaced, it is a massive emergency," said Kim Maynard, the director of civil society initiatives for Mercy Corps International. The private American aid organization has more experience in Kosovo than any other such group.

"To have such a large number this early in a conflict is extraordinary," said Andrew Natsios, a vice president of World Vision, another private aid group.

The latest official estimate by the office of the UN Commissioner for Refugees, to be released this week, is that roughly 120,000 of the refugees are still in Kosovo, 26,000 have fled west to the neighboring Yugoslav republic of Montenegro and another 10,000 to 13,000 have moved southwest to northern Albania.

No official figures exist on the number of ethnic Albanians who have fled southeast to the neighboring country of Macedonia, since the government there is keen to avoid provoking its non-Albanian citizens and refuses to admit it has any refugees from Kosovo. But several officials said that about 20,000 Kosovo residents have received tourist visas for the country since the clash began.

These numbers, which total nearly 180,000, are based largely on a tally of refugees who have formally registered with governmental or private aid organizations. But by all accounts, including those of UN officials, the tally underestimates the number of people who have actually fled. Ethnic Albanian sources, for example, say that more than 300,000 people have been displaced. But most independent groups consider that number exaggerated. They say the



A Serbian resident peering around his wall Sunday in a town in Kosovo.

number is somewhere between 200,000 and 300,000.

The U.S. undersecretary of defense, Walter Slocombe, noted at a hearing of the House International Relations Committee on July 23 that a refugee exodus from an area of conflict can sow serious political problems elsewhere.

"No matter how idealistic countries are, large numbers of refugees coming into a country create all kinds of tensions and instability, particularly when they're coming, at least initially, into some of the poorest parts of Europe," he said.

The estimated 35,000 who left Malisevo on Tuesday and Wednesday were the most to flee in a 48-hour period since the conflict began. Tens of thousands of them still have no shelter and are sleeping outside in large groups in fields, on hillsides and mountains, according to aid workers. Most of them have no fresh drinking water and little food.

Others are staying with relatives or strangers, typically packed 10 or 20 to a room. Their hosts can spare hardly a single dinar in what is now Europe's poorest nation.

"Conditions are pretty horrible," said Thomas Vargas, head of the UN High Commissioner's field office in Pristina. Epidemics of serious diseases such as tuberculosis, polio and measles, may crop up soon, he said after visiting refugees near Malisevo. "We already have the makings of a humanitarian disaster. It won't take much more before we have a full-blown disaster on our hands."

The supply of food in Kosovo has begun to dwindle, because of a partial embargo the Yugoslav government has imposed in the province on such staples as flour, sugar and butter. The problem also exists because thousands of acres of wheat and corn, now at their peak, are going unharvested.

"You're looking at a society that normally doesn't produce a lot of extra food," said a visiting specialist with the emergency branch of the U.S. Department of Agriculture. "All these developments mean that there will be no food savings" in winter.

Combat Threatens Refugees
Fighting between ethnic Albanian separatists and Serbian security forces

Foreign Minister Wins New Respect for Turkey

By Stephen Kintzer
New York Times Service

ISTANBUL — A messenger recently visited the ambassadors of Latin American countries in Ankara and handed all of them something they had never seen before: an invitation to meet with the foreign minister and discuss ways to improve relations between Turkey and Latin America.

Soon afterward, the foreign minister, Ismail Cem, summoned Turkey's ambassadors in Africa home to lay plans for a new diplomatic offensive on that continent.

These sessions had to be wedged between Mr. Cem's frenetic foreign travels, which have taken him to more than 30 countries in his first year in office. He has visited the United States and almost every European country and is planning trips to lands from Argentina and Canada to India and Iran.

One measure of his success is the stream of foreign dignitaries visiting Turkey. The prime ministers of Spain and Italy have been here in recent days, and President Hosni Mubarak of Egypt is expected soon.

For most of this decade Turkish foreign policy has been weak and vacillating, reflecting the instability of Turkish governments and Turkey's inability to find a new role to replace its Cold War position as a NATO state on the front line against the Soviet Union. Foreign ministers have changed so often that some have barely had time to furnish their offices, much less develop coherent strategies. Mr. Cem's immediate predecessor, Tansu Ciller, was so uninterested in the job that she often went weeks at a time without even appearing at the Foreign Ministry.

Against this background, Mr. Cem's energy and sweeping new vision have come as an unexpected but welcome dose of adrenaline.

"I am trying to change the scope of our foreign policy," Mr. Cem said in an interview, speaking in idiomatic English as smoke curled from his pipe. "We no longer perceive ourselves as a country on the outer periphery of Europe. But now we see ourselves as a pivotal country in the emerging geography of Eurasia."

"Enormous amounts of oil and gas are beginning to flow out of the Caspian basin. China is emerging as an economic giant. Goods will soon be moving in huge volumes around this region. You have only to look at a map, and to understand the size of the Turkish economy, to realize that we are in a very new and very important position."

In December, Turkey suffered a humiliating setback when the European Union refused to consider its application for membership. But while some Turks reacted with anger and frustration, Mr. Cem calmly asserted that Turkey had many other places to turn.

Some of his initiatives have required delicate balancing acts.

Turkey has cemented strong ties with Israel, for example, but has also made new overtures to Iran, Syria and Iraq.

In other areas, notably in relations with Greece and Cyprus, he has not been able to make any substantial progress.

When traveling in what he calls "the new Eurasian geography," Mr. Cem uses an approach that was anathema to his predecessors. He portrays himself as the representative not only of a 75-year-old republic, but also of the long Ottoman political tradition.

"Turkey has for years had a foreign policy in which the historical factor did not exist," he said. "We are bringing that factor back into play, and when I go to places like Macedonia, Albania, Bosnia, Azerbaijan and central Asia, I see that it brings a very positive response."

"Even in Jerusalem, I was told very proudly that the walls of the old city were built by a Turkish sultan. People are aware of the history they share with us."

Mr. Cem is 58. He is a member of the Democratic Left party, led by the deputy prime minister, Bulent Ecevit. Mr. Cem studied political science in Switzerland and spent much of his career as a journalist, including a spell as director of the state-run Turkish television network. Photography is his private passion.

"He's the most intellectually interesting and thoughtful foreign minister Turkey has had in some time," a European ambassador said. "When you talk to him you see his eyebrow curl, and you have the feeling that he's really thinking things through. Unfortunately, he runs into a wall in some countries because of Turkey's human rights problems. I also have the feeling that he has to take a tough line on Greece and Cyprus in order to have the freedom to shape policy in other areas."

Radar Parts Arrive, Turkish Cypriot Says

Agence France-Presse

ANKARA — Parts of the radar system for controversial surface-to-air missiles ordered from Russia by the Cypriot government have arrived in the south of the divided island, a Turkish-Cypriot official said.

"Some of the radar system for the S-300 missiles has arrived in the south, but not the missiles themselves," the Turkish news agency Anadolu quoted Dervish Eroglu, the prime minister of the self-declared Turkish Republic of Northern Cyprus, as saying late Friday.

"The Greek Cypriots' decision to buy these missiles was a mistake. The purchase has sparked a controversy even within their own government," Mr. Eroglu added without elaboration.

Turkey has threatened to use any means at its disposal, including airstrikes, to prevent deployment of the missile system. It also has said it will deploy its own missiles in the north if the S-300s are deployed in the south.

Cyprus has been divided since 1974, when the Turkish Army occupied its northern third after a failed coup by Greek nationalists attempting to unite the island with Greece.

BRIEFLY

New Lawyer in 'Dirty War' Case

MADRID — Former Prime Minister Felipe Gonzalez has joined the defense team of two of his former government officials convicted of "dirty war" activities against Basque separatists, a newspaper reported Sunday. Mr. Gonzalez, a lawyer, registered with the Madrid Bar Association on Friday so he can assist the defense team when it appeals the convictions before the Constitutional Court later this month, El Pais said, quoting people close to Mr. Gonzalez.

The Supreme Court last week handed down 10-year jail terms against the former interior minister, Jose Luis Barionuevo, and his former aide, Rafael Vera, for the 1983 kidnapping of a businessman who was mistaken for a Basque separatist hitman and held for 10 days. (AP)

Havel's Breath Coming Easier

PRAGUE — Having overcome breathing problems, President Vaclav Havel has been taken off a respirator and no longer has to be fed intravenously, doctors said Sunday.

Mr. Havel, who is recovering from surgery last week on his digestive tract, is also reported able to speak. His condition had worsened Saturday. (AP)

New Shaft Raises Rescue Hope

VIENNA — Hopes for 10 men buried in an Austrian mine for more than two weeks rose Sunday after rescuers drilled a narrow shaft 130 meters (430 feet) down to a cavern where the victims may have taken refuge. (AP)

For the Record

Investigators in Rome have asked for indictments against four retired air force generals and six other officers for an alleged cover-up in a 1980 airplane disaster that killed 81 people, media reports say. (AP)

A former member of Britain's M15 security service was arrested Saturday in France, a British official said. David Shayler faces charges under Britain's Official Secrets Act. The government seeks his extradition. (Reuters)

War-Crimes Suspect Dies

UN Tribunal to Open Inquiry Into 2d Death

Reuters

AMSTERDAM — The Yugoslav war-crimes tribunal said Sunday that it would launch an internal inquiry into the death this weekend of a top suspect, the second in just over a month.

The investigation by the UN body will examine the death, brought on by a heart attack, of Milan Kovacevic, a Bosnian Serb, on Saturday, Christian Chatter, a spokesman, said.

Mr. Kovacevic, 57, who died in his cell at The Hague after guards were unable to resuscitate him, was the only suspect on trial for genocide.

In Bosnia, Mr. Kovacevic's family said that they had received condolences on the death from all 27 tribunal detainees in custody — Serb, Croat and Muslim.

Mr. Kovacevic had a history of heart problems and was receiving medical treatment.

"All aspects of the death will be looked into," Mr. Chatter said.

No details of the inquiry, which was ordered by the acting tribunal president, Mohammed Shahabdeen, were available, he added.

The Dutch government will conduct an inquiry into the death, following normal procedure, the tribunal said.

Mr. Kovacevic died shortly after the International Criminal Tribunal for the Former Yugoslavia released a report on the recent suicide of another prominent suspect.

On June 29, former Serb mayor of Vukovar, Slavko Dokmanovic, hanged himself in his cell in the tribunal's detention center near The Hague, as judges were considering their verdict.

The internal inquiry exonerated officials at the jail from any blame, saying all safety and security rules were observed.

But Mr. Dokmanovic's defense lawyer said he had warned court officials that his client might kill himself, and the Yugoslav government said it held the tribunal responsible for the death.

Mr. Dokmanovic had maintained he was innocent of complicity in one of the most notorious incidents of the Yugoslav war, the massacre of more than 200 hospital patients in the eastern Croatian town of Vukovar.

Mr. Kovacevic, a former hospital director, was accused of helping set up camps in the Prijedor region of northwestern Bosnia in which Muslims and Croats were raped, tortured and killed.

Italian 'Cancer Cure' Leaves Bitter Taste

By Alessandra Stanley
New York Times Service

ROME — Claiming to have discovered a miraculous treatment for cancer, Dr. Luigi Di Bella, an 85-year-old physiologist in Modena, has for the last year held center stage in Italy, fighting — and almost winning — an astonishing battle for legitimacy.

Hailed by some as a savior, derided by others as a dangerous crackpot, Dr. Di Bella suffered a setback last week when government tests of his method indicated that it did not work. But those preliminary findings did more than just tarnish his credibility. They also shed dramatic light on how human desperation — and a huge lobbying campaign — forced the Italian public health system to provide a treatment without any proof of its efficacy.

More than 2,000 cancer patients were given Dr. Di Bella's treatment at no charge before any serious clinical tests were run.

"It was not possible to resist the pressure from judges and the media, who declared the treatment valid before it was tested," Rosaria Bindi, the minister of health, said Thursday in an interview.

"I was accused of killing hope," she said. "But there was no scientific evidence to support even the clinical trials. They were forced on us by a social malady that swept this country. Once we allowed the clinical trials, we could not shut them to small numbers."

Last week, Ms. Bindi's office issued the results of the first part of the first nationwide test of the treatment. A panel of Italian and foreign doctors concluded that not one of 134 patients showed any improvement after two months of treat-

ment. Seventy-five percent of the patients deteriorated or died. Forty-nine percent suffered toxic side effects.

Dr. Di Bella, who says he has cured 10,000 patients with the mixture, was unrepentant, insisting that the trials had been rigged by oncologists envious of his success.

Ms. Bindi, the minister of health, initially resisted calls to make the treatment available free of charge, on the same basis as established cancer treatments like chemotherapy. But public pressure was overwhelming. A kind of mass hysteria drove thousands of cancer patients and their families to hold rallies and sit-ins at government buildings and in St. Peter's Square. In an address in February, Pope John Paul II called for reconciliation between Dr. Di Bella's followers and the government.

"You have no idea what kind of pressure we were under. Society was set to explode," said Dr. Dino Amadori, president of the Italian Oncological Society, who took part in the clinical trials. "Our office was getting death threats."

In December, a local judge ordered the health authorities in Lecce, a town in Puglia, to administer Dr. Di Bella's treatment without charge to a 2-year-old boy with a brain tumor. The boy died last month, but that case unleashed a number of legal actions. Politicians leaped in. Rightist opposition parties championed Dr. Di Bella and accused the government of letting people die. Local administrations in Puglia and Lombardy independently began sponsoring the treatment.

In February, the Health Ministry relented and said it would put 600 patients with breast cancer, colon cancer and other manifestations of the disease in an intensive clinical study. The number was

later reduced to 397. The ministry also said that, for the duration of the testing, it would permit 2,000 patients with the same cancer diagnoses as those in the tests to get Dr. Di Bella's treatment free, under observation by the Public Health Service.

Dr. Di Bella's prescribed mixture consists of vitamins, drugs and a growth-inhibiting hormone called somatostatin. It cost \$350 a day until the government prevailed on pharmaceutical companies to lower their prices. It still costs \$60 a day.

In June, Dr. Di Bella traveled to Canada to explain his method. As usual, he resisted backing his claims with scientific evidence.

"They failed to show us any objective evidence that this treatment has efficacy," said Dr. Victor Fornasier, a Canadian pathologist who led a delegation to Modena in March.

In May, the Constitutional Court here ruled that by limiting the number of patients who could get the treatment without charge, the government was practicing economic discrimination. That forced the government to offer the treatment to any cancer patient who requested it, for as long as the clinical trials were being held.

The full conclusions are expected in September or October. But the negative results obtained with the first 134 patients have already led the Health Ministry to pull them off the treatment, and all others whose symptoms have worsened as well.

Dr. Di Bella remains serene. "For me, nothing has changed," he said in an interview Thursday. "I will continue my work. I am guided by truth, and scientific truth doesn't depend on a government decree."

INTERNATIONAL PORTRAIT PAINTING COMPETITION

ATATURK ON THE 75TH ANNIVERSARY OF THE REPUBLIC OF TURKEY



PORTRAIT PAINTING COMPETITION

"Atatürk on the 75th Anniversary of the Republic of Turkey" The International Herald Tribune, in association with Milliyet, Turkey's leading daily newspaper, is sponsoring a portrait painting competition.

"Atatürk on the 75th Anniversary of the Republic of Turkey" Following the preliminary assessment of all competition entries, the painting will be published in Milliyet in full color.

The winners of this competition, held to commemorate the 75th anniversary of the Republic of Turkey, will be elected by vote from the Turkish public. Winning portraits will be sold at auction, organized by the Kerem Evran Foundation. Winners will receive monies from the sales according to international norms. Entrants should apply to their local Turkish Embassy or Consulate for information on Atatürk or his photographs.

Conditions of entry are as follows:

1. Portrait dimensions - 50 cm x 70 cm.
2. The painting must be painted in oil on canvas.
3. A 15 cm x 20 cm printed photograph along with a transparency of the painting should be sent directly to the International Herald Tribune - Turkish Office, Yapi Kredi Vakfi Binası 23, Vakkıncı Caddesi, Nispetiye 8020, Istanbul, Turkey. Tel: +90 212 234 1750, Fax: +90 212 246 0666, E-mail: Sarol@blue.net.tr
4. The final deadline for the competition is Friday, 18th September 1998.
5. The following prizes will be awarded:
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INTERNATIONAL

Creative Campaigns for UN Security Council Openings

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — It is election season at the United Nations, and campaign finance reform provokes even less enthusiasm than it has in the U.S. Congress.

The campaign for one of the five seats up for election each year on the Security Council has brought imaginative gestures by some of the 185 UN members.

A couple of years ago, when Sweden was pushing hard for a seat, a staid diplomatic dinner party at the elegant New York townhouse of Consul General Dag Sebastian Ahlander was interrupted by a blast of saxophones from the pantry. A band just off the plane from Stockholm — all women, in black leather — burst into the dining room to jazz up the evening.

That was also the year when Portugal put on an extravagant food festival, and when a lot of diplomats and officials from Third World nations got trips to Japan and Japanese watches. "Overkill," one diplomat called it, as Japan was already favored to beat India in a contest for an Asian seat. Japan, as well as Sweden and Portugal, were elected.

This year, Greece turned the heads of even blasé diplomats.

Competing for a seat against the Netherlands and Canada, Greece invited UN delegates on a trip to bear about a plan for declaring an international truce to mark the 2004 Olympic Games, which will take place in Greece, to look over some Olympic sites and then to relax on an Aegean cruise.

Dimitri Gmelos, a spokesman for the Greek Mission to the United Nations, insists that the trips — there were two, because more than 120 diplomats and relatives accepted the invitation — were not related to Greece's bid for a Security Council seat.

"We tried to convince people that it was not that, but most people thought it was a campaign for candidacy of the Security Council," he said. "I do not see the correlation."

The Security Council has 15 members. Five permanent seats belong to the United States, Britain, China, France and Russia. The 10 remaining places, now held by Bahrain, Brazil, Costa Rica, Gabon, Gambia, Japan, Kenya, Portugal, Slovenia and Sweden, are filled by elections in the General Assembly and rotate within regions: five from Africa and Asia, one from Eastern Europe, two from Latin

America and the Caribbean and two from a hybrid group known as "Western Europe and other." That includes New Zealand, Australia and Canada.

Australia and New Zealand want to join the Asians, but are not yet welcome in that club. Israel has not been invited to join any group, and cannot hope to be elected to the council any time soon.

Rotating terms are for two years, with five seats surrendered each year so that there is always an overlap. Asians have already agreed that when voting takes place in the fall, Malaysia will take the seat to be vacated by Japan. Argentina will replace Costa Rica. Africans have chosen Namibia to replace Kenya.

Europeans are much less disciplined about coming to an agreement, said Robert Zaagman, first secretary of the Dutch mission. They take the battle down to the wire.

"We're not just talking about cruises," said Mr. Zaagman, whose government has not sought a Security Council seat since the mid-1980s, when the competition was not so intense. "In general, the amount of high official time invested seems to have gone up a bit. Now you see armadas of special envoys traveling around the world."

"The Security Council has become much more

active and much more of a player since the paralysis of the Cold War ended."

Like others, the Dutch have heard all the rumors about expensive gifts changing hands and brown envelopes left in hotel rooms during junkets. They like to think they can win election on their sober record of good international works and do not need sweeteners. "For us, giving cars or computers would never be part of the deal," Mr. Zaagman said.

Danilo Turk, Slovenia's representative, also said he had noticed a growing intensity in the competition for Security Council seats.

"The level of competitiveness has been rising since 1992," he said. "A lot of campaigning is going on, and it takes a lot of time and energy." Last year, Slovenia became the first of the former Yugoslav republics to win a seat. Mr. Turk, a former professor of international law, led the charge against Macedonia and Belarus.

Sometimes the smaller nations get wistful about the way the five big powers do not have to bother with campaigning.

"That's the comfortable situation of permanent members," Mr. Turk said. "Nonpermanent members have to work much harder."

BRIEFLY

Defiant Newspaper Reappears in Iran

TEHRAN — A pro-democracy daily ordered shut twice came out under a new name Sunday, setting the stage for a clash with powerful hard-liners opposed to Mohammed Khatami, the reformist president.

The paper's editor, Mashallah Shamsi, said it was published under the name Aftab-e Emrooz, or The Sun Today, with the lead story an account of an attack on the newspaper's offices by militants believed tied to ultraconservative politicians. He said that the paper was the same in tone as Touse, which was ordered closed by the hard-line judiciary Saturday. Touse began publication without missing an issue when its predecessor, Jameh, was ordered shut July 25.

The papers gained popularity, especially among the young, for frank criticism and analyses of Iranian politics. But they angered the ultra-conservatives who were the focus of the criticisms. (AP)

For the Record

Rwandan rebels have killed 102 people in an attack at Rushashi, in rural Kigali prefecture, a military official said. Colonel Fred Iriginda, military commander for Kigali and rural Kigali, said youths mounted the attack Friday night. Rural Kigali has recently been the target of violence by Hutu extremists. (AFP)

King Fahd of Saudi Arabia will undergo medical tests after suffering from undisclosed symptoms, diplomats in Saudi Arabia said. The health of King Fahd, who is in his mid-70s, has been the source of much speculation since he suffered a stroke in November 1995. He has suffered for years from diabetes and arthritis. (AP)

Suspected leftist rebels kidnapped a Colombian senator after forcing him from his vehicle at a highway roadblock in northeast Colombia, authorities said. Senator Carlos Espinosa, a member of the majority Liberal Party, was abducted Saturday in La Guajira province as he traveled south on official business, an army spokesman said. Several passengers were released. Authorities suspect that the captors are members of the National Liberation Army guerrillas, the army spokesman said. (Reuters)

Iran Says It Designed Missile Guidance Gear

TEHRAN — Iran said Sunday that the medium-range missile it tested last month was guided by an Iranian-made system that gives it great accuracy. The Shahab-3 missile is 16 meters (53 feet) long and can travel at a speed of 7,000 kilometers (4,200 miles) an hour, said General Mohammed Bagher Qalibaf, head of the Islamic Revolutionary Guards Corps' air wing.

"It is a ballistic missile and can carry a one-ton warhead at a cruising altitude of 250 kilometers above sea level," General Qalibaf said.

It was the first time Iran had given such details about the Shahab-3. On July 25, an Iranian official confirmed that the country had successfully tested a medium-range missile with a range of 1,300 kilometers.

The test launch and path had been tracked July 22 by Western intelligence agencies. "The final test of every weapon is in a real war situation but, given its warhead and size, the Shahab-3 is a very accurate weapon," said General Qalibaf, adding that its guidance system had been produced by Iranian engineers.

CLINTON: A Senator's Advice

Continued from Page 1

to maintain the assertion, under oath in the Paula Jones sexual harassment case, that he had not had sex with Ms. Lewinsky.

It remains unclear if a public explanation by Mr. Clinton would be politically palatable to the White House. Relations between the president and his aides, on one side, and Mr. Starr and his team on the other, have often been angry and personal.

The question of a public explanation appeared Sunday to put Democrats in an awkward position.

A respected Democratic senator, Joseph Lieberman of Connecticut, said on CNN: "The president has testified under oath and spoken to the American people. If for some reason he changes what exactly he has said before, then we'll have to evaluate that in context."

A senior Democratic congressman, John Conyers of Michigan, speaking on ABC, appeared caught off-guard at first when asked whether the president should issue a "mea culpa," then said he saw no purpose in it.

Mr. Starr is investigating whether the president obstructed justice, lied under oath or sought to intimidate witnesses during proceedings in the Jones case.

New Clinton-Lewinsky Photo

Another photograph emerged Sunday showing President Clinton and Monica Lewinsky embracing, Agence France Presse reported from Washington.

The photo, on the cover of Time magazine, shows the two in an embrace at an October, 1996, party fund-raiser.



Dana Borisova checking the morale of soldiers in a Moscow barracks.

Russia's Sad Sack Army Dreams of Pinup Beauty

By Daniel Williams
Washington Post Service

MOSCOW — The Defense Ministry was exasperated with Dana Borisova. Not only did the blond star use her television show to air soldiers' gripes and tell jokes that portrayed officers as twits, but she was photographed in the Russian edition of Playboy atop a tank in parts of a uniform.

The ministry withdrew its sponsorship, hoping Ms. Borisova, a civilian, would sink into obscurity. But she was bigger than the brass. Soldiers loved her. Commanders continued to allow her onto their bases, let her ride airplanes, scamper about on armored vehicles, discuss the latest shoe-shining techniques with lonely privates. The show prospered without ministry help.

At 22, Ms. Borisova is a national institution. She is Russia's Betty Grable, a pinup for an army desperately in need of a morale boost. Her Sunday program, "Army Store," is watched not only by thousands of panting draftees but also by civilians who like the jokes, the music, the lively reports on army technology and the drapes of Ms. Borisova's sleeveless blue-striped military T-shirt.

She says, "That's the way Russia is now. If you do something good, you can get ahead. It helps that with the state of our military you don't really need permission to go to military bases. Everything's out of control. The commanders know me, so we're welcome."

Few armies in the world are more in need of a good time than Russia's. Budget cuts and chronic pay delays have left the forces ragged. Soldiers cage cigarettes on the streets and offer to pick potatoes for pocket money.

Suicide is endemic. In the first five months of the year, 166 military personnel killed themselves, according to the Defense Ministry. Last year, the total was 481.

Brutal hazing of conscripts contributes to the suicides and to military deaths as a whole.

Television also showed a paratrooper's souvenir video of a lineup in which a soldier kicked and punched a succession of recruits in the chest.

The bad news does not discourage Ms. Borisova. "I'm here to cheer the boys up," she said.

"Army Store" is a sharp departure from Soviet-era military television,

which carried such programs as "I Serve the Soviet Union." It was heavy on saluting, medals and reruns of the Battle of Stalingrad.

"Army Store," on the other hand, trades on irreverence. Private 1 and Private 2, a pair of characters reminiscent of Beetle Bailey, enliven the comic segment. They are inevitably falling asleep on guard duty. When awakened, they plead, "I guard the Motherland even in my sleep" — a twist on an old Soviet slogan.

Rock stars make cameo appearances and talk about their stints in the military. Ms. Borisova airs birthday greetings from home. She interviews tearful mothers as they bid farewell to their conscripted sons.

She asked one boy how he felt about his first day in the army. "Words can't describe it," he deadpanned.

She also reports on the deteriorating conditions at bases, lobbies for better housing and campaigns against hazing.

She showed a letter from a commander pledging to investigate a beating incident. "We get results," she said. "We try to tell the positive things. We are patriotic. But we also want the truth out."

A Defense Ministry spokesman, Vadim Tarasov, said the ministry cut its ties with "Army Store" last year because the show was not objective.

The army has countered Ms. Borisova's program with a new offering of its own, called "I Hit the Target."

Ms. Borisova auditioned for the part of host five years ago. "I was draft age," she quipped.

As her popularity has grown, "Army Store" has branched out. She markets videos of the comic skits and a CD-ROM encyclopedia of weapons, with cameo appearances by Kevin Costner, in "The Untouchables," and Mel Gibson, shooting someone.

The Defense Ministry was not completely alone in its reaction to the Playboy photograph. The star's mother was upset about too. But "she got used to it," Ms. Borisova said. "She's hung it up in her living room."

Ms. Borisova plans to muster out of her show in a few years and embark on some other kind of television variety program. But for the time being, a Barbie-like "Dana" doll is in the works, with a play set that will include a military boyfriend. In real life she has no steady man.

"There are plenty of options, though," she said. "I have the whole army."

Anglican Faith Sees a Southern Shift

By Gustav Niebuhr
New York Times Service

CANTERBURY, England — As the world's Anglican bishops are gathered in this historic cathedral city for their once-a-decade meeting, the Lambeth Conference, a major trend can be discerned among the lists of those invited.

For the first time since these conferences began 130 years ago, the bishops who are heads of dioceses in the Church of England, the Episcopal Church and the Anglican Churches of Canada and Australia, which historically sent missionaries abroad, are outnumbered by their counterparts from the Anglican churches of Africa and Asia, the continents to which so many of those missionaries were sent.

It is a sign of something larger, say some bishops and academic experts who study religious trends, that among the 37 churches that make up the Anglican Communion (and within other branches of Christianity as well), the center of gravity is gradually shifting toward the Southern Hemisphere. The faith there is growing rapidly, while many churches in North America and Europe increase slowly or even decline.

In keeping with their increased numbers, the bishops from Africa and Asia have helped set the tone of discussions at the conference this year, which might be described as economically liberal and socially conservative.

The conference, for example, has expressed deep concern over foreign debts carried by developing nations, declaring that these impose a financial burden that keeps poor countries mired in poverty.

At the same time, some African bishops have sided with church conservatives against any attempt by liberal bishops from the United States and Europe to adopt a more welcoming stance toward homosexuals in the church.

In all, about 800 bishops are attending the three-week conference, a purely consultative affair that ends on Aug. 9. It is being held at the University of Kent, a complex of modern buildings atop a hill

with a sweeping view of Canterbury's skyline and its massive cathedral.

This city, popularly associated with Chaucer's pilgrims, is the seat of the archbishop of Canterbury, spiritual leader of the Church of England, an independent religious body since King Henry VIII broke with Rome in the 1530s. Within the Anglican Communion, the archbishop, the Most Reverend George Carey, lacks the power and prestige of a pope, but does possess a degree of mystical authority as a "unifying symbol" for the various Anglican churches.

As late as 1978, a majority of the world's Anglican population lived in Britain, said David Barrett, a professor at Regent University in Virginia Beach, Virginia, who is editor of the World Christian Encyclopedia, a compendium of statistics about churches around the globe. But today, he estimated, the British constitute only about 35 percent of 73 million Anglicans worldwide.

Mr. Barrett distributed a pamphlet to the bishops at the conference, projecting that by the year 2000, Anglicans would number 31.6 million in Africa and 6.1

million in Asia. By contrast, the Church of England estimates its current baptized membership at 26 million.

Among the documents available for study here at the Lambeth Conference is one known as "The Virginia Report," a consideration of the nature of the Anglican Communion, written by theologians and church leaders. Among the questions it raises is, "Does an archbishop of Canterbury necessarily have to be a member of the Church of England?"

Those who have studied the phenomenon of church growth in developing nations offer a variety of reasons for it. The churches, they say, are benefiting from general population growth trends, the desire of people migrating to cities for a sense of community, the attraction of church-run school and hospital systems, and the comfort of services that practice forms of spiritual healing.

But Archbishop Khotso Makhalu of Botswana, a leading figure at the conference, said many Christian churches had grown as they had adopted African forms of worship, incorporating music and dance into their liturgies.

BY THE NUMBERS

An Anglican Africa

The Worldwide Anglican Communion is growing faster in the developing world than its traditional bases in Britain and North America.

NUMBER OF ANGLICAN DIOCESES IN VARIOUS REGIONS

Name	1986	1993	Change
Church of England	44	44	unchanged
Episcopal Church (U.S. only)	99	99	unchanged
The Anglican Church of Kenya	12	27	+15
Church of the Province of Nigeria	26	61	+35
Church of the Province of Uganda	20	27	+ 7
TOTAL: Africa	130	228	+98

Source: Worldwide Anglican Communion

NYT

IRAQ: U.S. Plan Seeks to Bolster Opposition and Topple Saddam

Continued from Page 1

misstrustful of the United States, a senior administration official said, because of their sense that Washington encouraged them to rebel against Baghdad after the Gulf War of 1991 and then failed to help them.

Whether Mr. Barzani will come to Washington and embrace the plan is unclear. His nephew, Farid Barzani, who represents the Kurdistan Democratic Party in Washington, said, "We don't mind joining the opposition, but only on condition that the Americans would support the Kurdish people against any regional power," meaning against Tehran as well as Baghdad.

Farid Barzani described the plan itself as "a good start," a view not shared by key Republican staff aides in Congress, who said Congress may order changes as a condition of putting up any money beyond the \$5 million. Two staff members of Benjamin Gilman, Republican of New York and chairman of the House International Relations Committee, assessed it as a "baby step" that might

"lead to a slightly higher profile for the Iraqi opposition abroad but little help in Iraq."

In a report they said the administration's list of 73 Iraqi opposition groups with which it intends to work is "absurd" because "many of the groups listed number only one person and several are not even Iraqi." They also objected to locating Radio Free Iraq in Prague because "it will be jammed and will have to overcome credibility problems" because of its association with other U.S.-sponsored surrogate radio stations. They said the administration should enforce a "no-drive zone" comparable to the "no-fly zone" in northern Iraq and have the radio there.

A Republican Senate aide who has analyzed the plan called it "fatally flawed," and said some of the 73 listed opposition groups are "penetrated by Baghdad." This source said Republican senators are also unhappy because they want most of the money to go to the Iraqi National Congress, a London-based umbrella group that until shattered by Mr. Barzani's ploy in 1996 was recognized

by Washington as the legitimate voice of the Iraqi opposition. In the administration's view, however, the Iraqi National Congress is "an opposition group, not the opposition group," as one senior official put it.

The plan is built around promoting the religious and ethnic pluralism of Iraq and marshaling the case for indictment of Mr. Saddam and his associates. It provides \$125,000 for "coordination" of the activities of groups pursuing the war crimes issue and \$375,000 for document translation.

Under the supervision of a senior U.S. diplomat, funds are to be provided for "conducting local rallies, printing fliers and posters, mass mailings, telephone canvassing," TV and radio advertising and radio broadcasts.

UN Arms Inspector Arrives

The chief United Nations weapons inspector, Richard Butler, arrived in Baghdad on Sunday with a team of experts to renew investigations of Iraq's disarmament efforts. The Associated Press reported from Baghdad.

CHINA: Anti-Smuggling Campaign Is More Political Than Noble

Continued from Page 1

believes in communism any more, so how can there be any justification for a Communist Party?"

Sensing urban dissatisfaction among the populace and facing the potentially explosive danger of widespread unemployment as inefficient state-owned industries are overhauled, Mr. Jiang is starting to tinker around the edges — trying to change his system to save it.

This spring, newspapers and television programs were given mild encouragement to report on egregious corruption cases. A handful of university professors and scholars at research institutes have started talking openly about the need for political reform. Magazines with juicy stories of political intrigue, although highly unreliable, are selling more openly on Beijing streets.

There was also a small step toward greater openness when President Bill Clinton visited in June and was shown on television publicly disagreeing with Mr. Jiang on sensitive topics like Tibet and the Tiananmen massacre of 1989.

Trying to take advantage of the marginally more tolerant mood, some political dissidents have emerged in the last

month to try to announce the formation of a fringe party, still expressly forbidden.

All these modest changes come at a time when the government, with a new pro-reform prime minister, Zhu Rongji, is trying to reduce the size of central ministries and undertake a vast reform of China's outdated banking and housing systems.

Mr. Jiang seems to be betting that a minuscule amount of opening will help assuage the innumerable complaints that gurgle near the surface all the time throughout China. It is a wager with sizable risks, looming even larger if China's economy stalls.

For there is a distinct possibility that steps toward openness and accountability will only create even greater pressure on the floodgates of popular discontent. As with Mikhail Gorbachev's attempts to save the Soviet system by reforming it, letting in a little sunlight can expose a void where political legitimacy should be.

Enter the military equation. Judging that the time is right for change in China's political and economic culture, Mr. Jiang has ordered the military to relinquish its business operations.

The order was treated with incredulity at first, so deeply entrenched is money-

making in the contemporary culture of the People's Liberation Army.

Until last month, the worst-kept secret in China was that the army operated an enormous smuggling racket. It was a stunning political milestone for Mr. Jiang to say publicly (addressing a meeting of top military officers, no less) that China's military was deeply involved in illegal activity.

But rather than question the root of the problem, an authoritarian system that leaves the military unaccountable, or even reconsider the high import duties that make smuggling cellular telephones, cigarettes and diesel oil so profitable, China's leadership instead declared a campaign against smuggling.

An expert political tactician, Mr. Jiang is unlikely to have launched the anti-smuggling campaign, or to have ordered the military out of business, without confidence that senior military officers were on his side.

"The army has always been sacred," said a retired Communist Party official who is sharply critical of the current group of leaders. "It seems a very bold move to take on the army, no matter how corrupt it has become."

"But what is the next step?"

SHIP: Napoleon's Fleet Found Off Egypt

Continued from Page 1

Mr. Goddio's team began surveying the eastern harbor of Alexandria in 1996. Its first, and most dazzling, find was the 2,000-year-old ruins of Cleopatra's palace and the home and temple of her Roman lover, Marc Antony, which had sunk into the harbor after an earthquake.

But for Mr. Goddio, the discovery of Napoleon's fleet 12 meters (39 feet) below the surface at Abu Qir east of Alexandria yielded a new sense of excitement.

"This is where the fate of Europe was decided," said Mr. Goddio, referring to

the battle in which Nelson destroyed a French fleet bent on crushing the British Empire by striking at Egypt and, ultimately, India.

Among remains of the ship that have been found were parts of the hull, an 11-meter-long rudder and the ship's rigging, Mr. Goddio said.

Also found was part of the ship's mast, another section of which had been ordered salvaged by Nelson and was used in making the admiral's coffin after his death in the 1805 Battle of Trafalgar, Mr. Goddio said.

"Touching that wood is like being an eyewitness to history," he said.

Handwritten text in Arabic script, likely a signature or note.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

More Than an Icon

Burma's military dictators ended their latest standoff with the democracy leader Daw Aung San Suu Kyi by the only means they know: force. She had driven from her home in the capital toward a provincial city to meet political colleagues, and troops had blocked her way. For six days she waited in her sun-baked car, peaceful but resolute. Then soldiers pinned her in the back seat, ejected her companions and drove her back to Rangoon.

The regime's heavy-handedness, and its denial of Daw Aung San Suu Kyi's basic right to travel and meet with whom she chooses, drew condemnation from many governments, as well it should. But to a large extent, even while seeking to support Daw Aung San Suu Kyi, these foreign ministers largely missed the point. "Aung San Suu Kyi is an icon, whether you like it or not," New Zealand's foreign minister warned Burma's junta, speaking for the United States, Europe and others. "You've really got to give her a lot more freedom, whether you like it or not."

An icon is an image, a symbol, a saintly or Christ-like figure. Daw Aung San Suu Kyi, a Nobel Peace laureate and undoubtedly a profile in courage, has become a symbol of democracy. But to treat her only, or primarily, as an icon is to diminish her. For Daw Aung San Suu Kyi, 33, is a political leader; she heads the National League for Democracy, which won four out of every five seats in a 1990 parliamentary election that the military regime still refuses to honor.

The six-day standoff, and whatever comes next in this unfinished story, needs to be understood in that con-

text. Daw Aung San Suu Kyi did not set out to stage a protest or win world sympathy. She set out to do what political leaders do: consult with colleagues. Burma's dictators have arrested many of her associates, and they refuse to let others come to her, so she was trying to reach them. No doubt she will try to do so again.

Treating her as an icon lets Burma's dictators off the hook of negotiating with her as the legitimate political leader she is. It lets other nations express admiration and concern while ignoring the substantive ways in which they keep her in power. For it is contracts with America's Unocal Corp., France's Total, China's arms merchants and other companies from Europe, Asia and North America that allow the unpopular generals to hold on.

Recognizing that fact, the United States at least has banned new investments. The European Union has yet to follow suit, and Southeast Asian nations continue to advocate engagement. But engagement has produced nothing, whereas multilateral sanctions—as advocated by Daw Aung San Suu Kyi herself—could have a real effect. Not only is Burma's regime one of the world's most odious, profiting from press-ganged labor and the heroin trade; but, unlike most such cases, a legitimate, democratically anointed alternative already exists.

Daw Aung San Suu Kyi has called for Burma's elected Parliament to convene by Aug. 21. That is the pragmatic goal of a flesh-and-blood politician. Washington and its allies should back it in pragmatic, concrete ways.

—THE WASHINGTON POST.

The Millennium Bug

Fear of chaos in the world's computer systems in the year 2000 may be hard for most people to take seriously. The temptation is to assume that since technicians created the problem, technicians can solve it. But with only 516 days until the fateful 1999, it is clear that the "Y2K" bug is not moving fast enough to fix its computers or prepare for significant disruptions. Instead of addressing a potential crisis, many leaders in business and government are complacent, declining to act for fear of lawsuits or ebbing in political rights. Their lack of attention could be crippling.

The so-called millennium bug arises from chips and software coded to mark the years with only two digits. If not adjusted by Jan. 1, 2000, myriad systems will "roll over like the odometer on an old Chevy," as Wired magazine put it, effectively thinking they had just jumped back to the year 1900. No one is sure what will happen. The breakdowns could be minor, or they could disable everything from air traffic control systems in financial networks, power grids, hospitals and home appliances. Some economists warn of a global recession.

It makes sense to prepare for the worst. The U.S. government has made progress but is far behind in upgrading air traffic systems, Medicare, the Pentagon and other sectors. In addition, a petty budget dispute between the House and the Senate has blocked \$3 billion in emergency funds to speed up the process. A major problem is that even if the federal government is in perfect shape, its systems could be impaired by interacting with state and local governments, where potential problems are rampant.

Similarly, big businesses could fix their own systems only to have them break down by contact with noncom-

pliant customers, clients and suppliers at home and overseas. The Securities and Exchange Commission is actively monitoring efforts to root out problems throughout the financial industry, but much more needs to be done.

President Bill Clinton has belatedly stepped up the federal campaign to increase public awareness by establishing a Council on Year 2000 Conversion, but he and Al Gore, the First Technophile, should do even more. They and sympathetic members of Congress should win passage of legislation to encourage companies to share information with one another, disclose problems to the public and move more aggressively to correct them. At present, many businesses are afraid to act out of fear that any corrective efforts that fall short would simply invite lawsuits charging that they knew their systems were flawed.

If the millennium bug problem were simply a matter of software, it would be bad enough. But experts say the most dangerous aspect of the problem is that so many systems, from missiles to natural gas pipelines to hospital equipment, rely on billions of tiny chips embedded where they would have to be found by engineers and reprogrammed or replaced. Congress should consider tax incentives or subsidies to encourage businesses to identify vulnerabilities and recruit professionals, including retired people.

It may well be that all these problems can be managed. But experts recommend that employees ask their bosses about what is being done to get ready. If the answer is that there is nothing to worry about, it is time to start worrying. It will cost billions to fix potential problems, but that is nothing compared to what it will cost if the fears of many experts prove correct.

—THE NEW YORK TIMES.

Other Comment

Go to the Deep Oceans

There are many reasons why we must continue to go to the deep oceans.

It is where our planet earth is presently being formed, contorted, stretched and quaked—right now.

It is likely where life may have first begun on this planet—and where we can still witness it beginning.

Deep ocean currents hold the key to understanding the workings of the global conveyor belt that carries warm surface water to the north polar region in the Atlantic and returns cold water to fill the deep ocean throughout the world. Understanding this circulation is critical to our understanding of possible changes in the earth's climate. Knowledge of the physics and the

chemistry of the oceans is also essential to understanding ocean circulation, which in turn can have important effects upon global weather systems.

Observations from the deep ocean will also provide us with many answers about the changing chemistry of seawater, which ultimately will lead us to understand what environmental changes the ocean can sustain from the atmosphere, such as carbon dioxide.

The deep ocean is also where we are turning for new pharmaceuticals and biotechnology innovations.

From prepared testimony on Thursday by Robert Gagosian, director of the Woods Hole Oceanographic Institution, before a House subcommittee on fisheries conservation, wildlife and oceans.

Get Serious About Rescuing the People of Sudan

By J. Brian Atwood

WASHINGTON — Sudan's civil war has now gone on for 15 years. It is no longer possible to expect that outside relief agencies can erase the devastating consequences of protracted conflict. Yet when people are seen starving to death on television, the relief agencies are asked "Why?"

Few have earned more of a right to ask that question than Senator Bill Frist of Tennessee, who recently visited Sudan and used his medical training to treat the starving children. Writing later, he correctly observed that "government of Sudan" is largely responsible for creating this impending disaster through sustained war on its own people.

The senator went on to suggest that the United Nations' Operation Lifeline Sudan has been feeble in implementing relief programs because its operations largely have been controlled by the government of Sudan. He urged the U.S. Agency for International Development to work directly with nongovernmental organizations rather than moving its food and medical supplies through Operation Lifeline.

USAID has in fact tried simultaneously to strengthen the resolve of Operation Lifeline and to work with nongovernmental organizations to bring relief to areas where Operation Lifeline has been denied permission to travel. Thirty-five percent of American food aid has been provided outside the framework of Operation Lifeline.

The problem is that individual nongovernmental organizations do not have the logistical capacity to bring as much relief as is needed. The largest relief organization, the World Food Program, operates under the United Nations and Operation Lifeline Sudan. It is the only organization, with the exception of the U.S. military, that has the logistical capacity to deliver food in remote areas.

When Operation Lifeline Sudan was negotiated in 1989, it was considered a breakthrough, the first humanitarian access agreement of its kind. Relief organizations now had a way to reach

remote areas of Sudan by air. Violating the airspace of a country at war had been a risky proposition, and few wanted to try.

The downside was that the Khartoum government could control the flow of humanitarian supplies, and it began to do so in areas controlled by the rebel forces in the south.

Our expectations that the UN representative would blow the whistle on such a blatant manipulation of a humanitarian relief program never was fully realized. Hence the legitimate criticism of Operation Lifeline.

Now is the time to fix this problem. Both sides have agreed to a three-month cease-fire, and the Sudanese foreign minister has said that relief agencies should have "unfettered access" to tend the victims of famine and war. "Unfettered access" always should have been the standard, and we should demand that it be the standard honored if the cease-fire expires.

It is time not only to save thousands of vulnerable people but to give them the capacity to help themselves in the

future. Agricultural stocks and farm animals should be replenished and governance structures established to help people run their own affairs.

Humanitarian zones or corridors should be negotiated and established. Full air access should be negotiated and granted. Humanitarian issues must be resolved once and for all, whether or not the conflict resumes.

It is also time to revive the peace process under the auspices of the Intergovernmental Authority on Development. People are dying because the collective imagination of the international community has yet to solve this internal conflict.

Governments have always had a hard time with disputes inside sovereign borders, but after 15 years that is becoming a large excuse. It is time for concerned governments to get on with bringing this senseless war to an end.

The writer is administrator of the U.S. Agency for International Development. He contributed this comment to The Washington Post.

Devalue the Yuan? Not Unless Events Coerce Beijing

By David Brown

WASHINGTON — Despite nearly a year of speculation about devaluation, the yuan has remained essentially stable at about \$3 to the dollar. China's prime minister and economic czar, Zhu Rongji, has repeatedly affirmed Beijing's intention not to devalue.

Chinese officials have said that their country pays a price for not lowering the value of its currency, but maintaining a stable exchange rate has served China's economic interests by avoiding a rise in the price of imports, restraining domestic inflation, and contributing to a stable environment favorable to foreign investment.

But what of the future? The primary pressure for devaluation comes from Chinese exporters who are feeling increased competition from economies elsewhere in East Asia that have devalued during the region's financial crisis. Chinese exports were up in the first half

of 1998, but the growth rate was 7.6 percent, far below last year's rate of nearly 21 percent.

The rate of growth of exports has been falling for the last three quarters, and exporters anticipate further declines.

It is unlikely that China will achieve its goal for the year of 8 percent export growth. Missing this target is one of several reasons why China is unlikely to meet its overall aim of expanding its economy by 8 percent, after adjustment for inflation.

These trends help explain why Central Bank Governor Dai Xianglong expressed concern in May about the continuing fall of the yen. There is not much direct competition between Japanese and Chinese exports in third markets, but a weak yen puts downward pressure on the currencies of other Asian countries that do compete more directly with China.

During President Bill Clinton's visit to Beijing in June, senior Chinese officials warned that if the yen were to reach 160 to the dollar (it is currently at around 144), that would create real pressure on the yuan.

Some Chinese are reportedly speculating against their currency. The black market exchange rate in Shanghai has risen in the past week to more than \$6 yuan to the dollar. A \$500 million fall in June in China's foreign reserves (which amount to \$140 billion, equivalent to more than a year of imports) suggests that some exporters are holding their dollars in anticipation of a devaluation.

Despite such pressures, Mr. Zhu assured Mr. Clinton that Beijing would not devalue. The goodwill that these assurances win from governments of Western industrial powers is important to China, which wants to be

viewed as a constructive global player. The goodwill that Beijing earns in the Asian countries hard hit by the financial crisis also means something.

Not devaluing strengthens China's regional standing at a time when Japan's is waning because of perceptions that Tokyo is unable to clean up its debt-laden financial system, kickstart its economy and open its markets to help Asia recover.

Yet it is the calculation of China's own economic interests that will remain crucial to its exchange rate policy.

International economists argue over whether there would be trade benefits to China from a devaluation. Until now, Beijing's actions imply that its leaders have concluded that such benefits are not clear.

Mr. Zhu recently noted that countries that had sharply devalued their currencies did not see exports grow. He suggested that a similar outcome might

occur if China devalued, and reiterated that the key challenge is to boost domestic demand.

The consensus is that China would not gain from devaluation because competitive devaluations elsewhere would quickly undercut any advantages.

Analysts who believe that a devaluation is coming have argued, however, that since China's competitors have already devalued substantially, their currencies would not fall much further in response, and so China would benefit to some degree.

Senior Chinese trade officials have indicated that the impact of devaluation on China's imports will be an important consideration in the coming months. This is because Beijing's priority plans to restructure state-owned companies include programs to upgrade many of the firms this year by importing substantial amounts of foreign equipment with a strong yuan.

Beijing will also weigh the impact of devaluation on foreign investment. Net exports and foreign investment have accounted for about half of economic growth in recent years.

Foreign investment held up remarkably well in the first half of 1998. Investment from Asia is down, but the inflow from Europe and America has increased. But the recurrent speculation about devaluation may have led some investors to defer new commitments. Maintaining confidence in the yuan is thus important to Beijing's efforts to encourage continued foreign investment.

Although devaluation appears unlikely this year, several factors could cause Beijing to recalculate.

A collapse of the yen would be destabilizing throughout Asia. It would give China a credible public justification for devaluing. That is why the United States is keeping pressure on the new government of Prime Minister Keizo Obuchi in Japan to move ahead quickly and decisively with a package of measures to lift public confidence and improve the economy and financial system.

If the domestic growth rate, already below the 8 percent target, were to slow so much that it created social instability that the authorities could not control, Beijing could well see devaluation as one of a number of emergency steps to spur exports and economic expansion.

If China's trade and current account balances, both currently strong, were to record deficits, the pressure from exporters could be irresistible.

The writer, a former U.S. diplomat, is a senior associate of the Asia Pacific Policy Center in Washington. He contributed this comment to the International Herald Tribune.

Presidency Under Siege: Enough Is Enough

By Arthur Schlesinger Jr.

NEW YORK — A quarter-century ago I wrote "The Imperial Presidency," which argued that the American constitution envisages a strong presidency within an equally strong system of accountability. When the balance is upset in favor of presidential power and at the expense of accountability, the office can be said to become imperial.

This exaltation of the presidency, as James Madison presciently observed two centuries ago, is most likely to be justified by "provisions against danger, real or pretended, from abroad." The more acute the international crisis, the more power flows to the president.

The half-century of protracted crisis from Pearl Harbor to the breakup of the Soviet Union came close to institutionalizing the imperial presidency. "When the president does it," Richard Nixon told David Frost in a television interview about his Watergate crimes, "that means that it is not illegal."

But Mr. Nixon carried this doctrine a little far. The result was resignation to escape impeachment. A reaction against the imperial presidency set in.

In 1978, Congress passed the Independent Counsel Act, a statute so loosely drawn as to enable special prosecutors to conduct dragnet investigations with no limit on time or budget and no formal accountability.

The fall of the Soviet Union completed the revolt against the abuse of presidential power. The imperial presidency collapsed. Today we see a presidency harried and enfeebled by an obsessed special prosecutor.

Kenneth Starr's original charge was to look into a shady land deal 15 years ago in Arkansas. This turned out to be a dry well, at least as far as President Bill Clinton was involved. Then Mr. Starr, through some form of sleight of hand intelligible only to lawyers, managed to transform the Whitewater inquiry into an investigation of the president's sex life.

In the process he has succeeded in eliminating protections of presidential privacy heretofore unchallenged. Over the protests of the director of the Secret Service and even of Mr. Clinton's predecessor, George Bush, Mr. Starr has obtained court rulings compelling Secret Service personnel to testify before his grand jury. As well as protecting presidents, Secret Service personnel must now serve as spies for the special prosecutor.

He has also obtained a ruling that government lawyers cannot invoke the attorney-client privilege in a criminal inquiry, thereby compelling the deputy White House counsel to testify about confidential talks. It is now difficult to see with whom the president can discuss private matters—save for his wife, who cannot be compelled to testify against her husband.

Mr. Clinton's wounds are to a considerable degree self-inflicted. If he did what he is accused of, he should not have done it. But it is demeaning for Americans, and seems idiotic and snuffing to the rest of the world, that a crisis of the American presidency should turn on the definition of sexual relations.

Most Americans, judging by polls, still think that even if what a president does in his private life is deplorable, it is his own business. When they

elect Mr. Clinton in 1992 and re-elected him in 1996, they did not think they were sending a choirboy to the White House.

They see him as a bright and effective president who has been doing a pretty good job in his official duties.

If Mr. Clinton is not being truthful, his deceptions have to do with his sex life. Catholics draw a distinction between "venial" (that is, forgivable) and "mortal" (unforgivable) sins. Many Americans regard the denial of a sexual affair as a venial sin. Most people have lied about their sex lives at one time or another. You lie to protect yourself, your spouse, your lover, your children.

Gentlemen always lie about their sex lives; only a cad will tell the truth. Many people seem to feel that questions no one has a right to ask do not call for truthful answers.

The indignation that some Republicans have shown over alleged waywardness would be more impressive if they had shown retrospective indignation about Warren Harding's sexual adventures, so fascinatingly documented in Carl Siffranza Anthony's new biography of Florence Harding—or if they had shown equal indignation about President Ronald Reagan's statements during the Iran-contra imbroglio.

On Nov. 6, 1986, Mr. Reagan said that the story about trading arms for hostages "has no foundation." A week later he called the story "utterly false," and added, "We did not—repeat—did not trade weapons or anything else for hostages."

Mr. Reagan's falsehoods had to do with his official duties, not with his private life, and were a gross dereliction of his executive responsibility.

The same is true of Mr. Nixon and the Watergate scandal, which involved presidential sanction of burglary, wiretapping, political dirty tricks, forgery, bush money, perjury and obstruction of justice.

Mr. Starr's pretext for the prurient invasion of presidential privacy is the possibility of nailing Mr. Clinton for perjury, witness tampering and obstruction of justice. Presumably his goal is to prepare the way for impeachment.

But surely the last thing Republicans would wish is to replace Mr. Clinton with the fresh, honest face of Al Gore, who would then have a head start on the presidency. They much prefer to send the rest of the term dealing with a weakened and discredited President Clinton.

The Republicans may also try to do what Henry Clay succeeded in doing in the Senate in March 1834—that is, to pass a

resolution of censure of President Andrew Jackson. It was "expunged" three years later when the Democrats regained control of the Senate.

Mr. Clinton, for all his own waywardness, has been sublimely lucky in the enemies he has made—Newt Gingrich, Dick Armey, Tom DeLay, Trent Lott and, above all, Mr. Starr. One would someday like to see a detailed and specific accounting of how Mr. Starr has managed to spend \$40 million or so of the taxpayers' money.

His pursuit of Mr. Clinton has rightly been compared to "Captain Ahab's mooncantic 'quenchless feud'" with the White Whale. "All that stirs up the lees of things; all truth with malice in it; all that cracks the sinews and cakes the brain; all the subtle demonisms of life and thought; all evil, to crazy Ahab, were visibly personified, and made practically assailable in Moby Dick."

"He piled upon the whale's white hump the sum of all the general rage and hate felt by his whole race from Adam down; and then, as if his chest had been a mortar, he burst his hot heart's shell upon it."

Captain Ahab vs. the American presidency: If Mr. Starr's quenchless feud continues, he may well do permanent damage to the American system of government. Enough is enough.

The writer, twice winner of the Pulitzer Prize and now at work on his memoirs, was a special assistant to President John F. Kennedy. He contributed this comment to The New York Times.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Rioting in N.Y.

NEW YORK — The crowded district on the west side of this city was in an uproar owing to a murderous fight between the white and colored dwellers of the tenement houses. Two thousand men took part in the affray, and revolvers were used freely. Many men on both sides were wounded before the police resorted to have been the aggressors. The negroes were besieged in their lodgings and retreated to the roofs and buried down bricks on their adversaries.

1923: President's Load

PARIS — [The Herald says in an Editorial:] That Presidents of the United States are overworked has been brought home more than once to the conscience of the American people. Little has been done to lighten their burdens. President Harding un-

dertook the tour of Alaska. The fatigue that he incurred is undoubtedly the cause of his health yielding so readily to unsanitary influences. The country cannot well spare its citizens of noble character, enlightened statesmanship and sound patriotism. What can be done by the American people to prevent their Presidents from overworking?

1948: De Gaulle's Path

PARIS — The principle of "no parties and no politics" was urged by General Charles de Gaulle as the first means of "putting France on her feet." Referring to the recently formed coalition government, he said: "We have had enough of this system which mixes Socialists and Liberals, who catch votes by attacking each other and then sit together at table. Together we shall follow an honest path. Our destiny should not be a mediocre one."

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HEALTH/SCIENCE

One More Reason To Fight the Fat

Lower Triglyceride Level Aids In Prevention of Heart Disease

By Jane E. Brody
New York Times Service

NEW YORK — Do you know your triglyceride level? New evidence strongly suggests that it is time to add triglycerides to cholesterol and homocysteine as substances in the blood that influence your chances of developing heart disease.

Triglycerides are basic particles of fat carried through the bloodstream by various molecules. They are derived from fats eaten in food or made in the body from other energy sources like carbohydrates.

The new evidence indicates that blood levels of triglycerides that have long been considered "normal" — 200 milligrams in 100 milliliters of blood serum — are actually too high and should be monitored and controlled along with other coronary risk factors.

Researchers at the University of Maryland Medical Center in Baltimore have found significant cardiac risks above 100 milligrams. They say long-standing uncertainties about the importance of triglycerides arose in part from mistaken assumptions about where to draw the line between safe and hazardous levels.

The new studies also call into question the way triglyceride levels are measured, after a 12-hour fast. Dr. Michael Miller, who directed the Baltimore study, said the level achieved after a fatty meal might tell more about a person's chances of developing clogged arteries.

The National Cholesterol Education Program lists 200 milligrams as a normal blood level of triglycerides. Levels of 200 milligrams to 400 milligrams are considered borderline, warning changes in diet to bring them down.

Drug therapy to lower triglycerides, according to the national guidelines, should be reserved for those with levels higher than 400 milligrams as well as those with levels of 200 to 400 who have other coronary risk factors like smoking, diabetes or high cholesterol.

However, the Baltimore study found that those with triglyceride levels at or above 100 milligrams (measured after a 12-hour fast) were 50 percent more likely than those with levels below 100 to suffer heart attacks, need bypass surgery or angioplasty, or die from heart disease.

This study, which followed 350 men and women for an 18-year period, was published in May in the *Journal of the American College of Cardiology*.

Dr. Miller, director of preventive cardiology at the University of Maryland,

said his was just one of several recent studies "suggesting that we may have been missing the big picture" regarding triglycerides, because clinicians and medical researchers had failed to look low enough when they assessed the contribution of triglycerides to coronary risk.

Furthermore, researchers had assumed that if high triglyceride levels were hazardous, the higher the level the greater the risk would be. But this is not always the case. In fact, some people with very high triglyceride levels — 1,000 milligrams or more — are no worse off than those with levels of 200.

Further complicating the picture, when triglyceride levels go up, blood levels of protective HDL-cholesterol go down, suggesting that low HDLs, not high triglycerides, are really responsible for any increased coronary risk found in people with high triglycerides.

"We showed that a fasting triglyceride level above 100 milligrams is an important risk factor independent of the level of HDLs," Dr. Miller said.

An earlier finding from the decades-long Framingham Heart Study had also shown that in women and in people over 65, rising triglyceride levels increased coronary risk, independent of any cholesterol measurements.

And a Danish study of 3,000 initially healthy middle-aged and elderly men found that the risk of suffering a first heart attack rose substantially when triglyceride levels were above 140, regardless of HDL levels.

In a report in March in the *Journal of Circulation*, the team from Copenhagen University Hospital reported that the Danish men with the highest triglyceride levels were more than twice as likely to suffer a heart attack as those with the lowest levels.

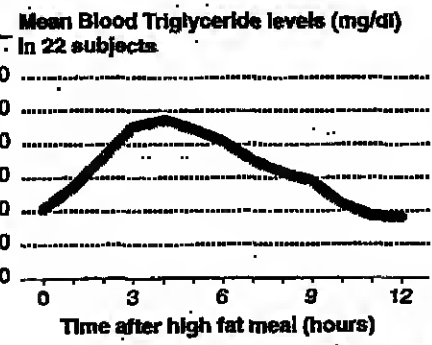
Finally, in an analysis published last year in the *Journal of Cardiovascular Risk* that combined the results of 17 triglyceride studies among a total of 46,413 men and 10,864 women who had been followed for years, Dr. John Hokanson and Dr. Melissa Austin of the University of Washington in Seattle reported, "Triglyceride is a risk factor for cardiovascular disease for both men and women in the general population, independent of HDL."

Missing from this impressive set of data is a large long-term study showing that reducing triglyceride levels that are above 100 or even 200 milligrams can prevent serious heart problems.

Triglycerides After Eating

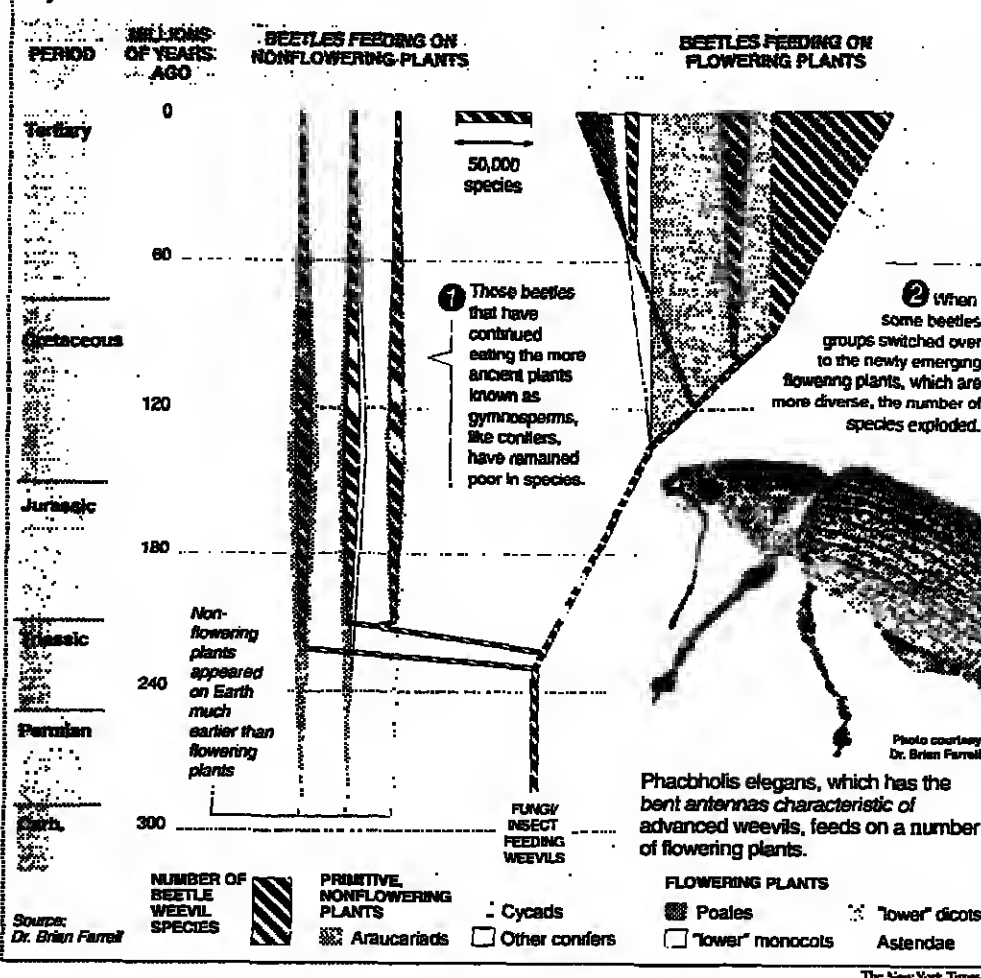
Triglyceride levels in the blood peak about four hours after a meal. The more calories the meal, the higher the peak.

Sources: Lipid Metabolism Laboratory, USDA Human Nutrition Research Center on Aging at Tufts University.



330,000 Beetles and Counting

Tracing the evolution of one major type of beetle, the weevils, shows how the number of weevil species exploded when some of them stopped eating primitive plants like cycads and conifers.



Why So Many Beetles? It's All a Matter of Diet

By Carol Kaesuk Yoon
New York Times Service

NEW YORK — Swarming the world in a dizzying array of shapes, colors and sizes from gargantuan Goliath beetles to jewel-like tortoise beetles to deadly familiar ladybugs, beetles, with more species than any other plant or animal group on Earth, are the undeniable rulers of the planet.

In fact, so overwhelming is the diversity of these creatures that it is the subject of what has been called evolutionary biology's best known — and perhaps only — one-liner. According to lore, in the middle of this century, the British biologist J.B.S. Haldane, when asked by a group of theologians what one could glean about the Creator from a study of His creation, is said to have replied, "an inordinate fondness for beetles."

Yet despite a long-standing fascination with these armored beasts, biologists have been able to do little more than speculate about how the 330,000 known species of beetles have come to dominate the living world.

Now a study in the latest issue of *Science*, says that the secret to the diversity of beetles lies in what they eat.

Dr. Brian D. Farrell, a curator at the Museum of Comparative Zoology at Harvard University, has shown that those groups of beetles that long ago evolved to eat flowering plants spun off thousands of species, many more than those beetles that continued to eat more primitive and less diverse plants. By feasting on flowering plants, which evolved to become the world's most diverse group of plants and includes nearly all the familiar species, among them apple trees, orchids and grasses, the beetles were apparently

able themselves to produce many species.

"It's the classic scenario," said Dr. Farrell, referring to the well-accepted notion that the evolution of new species adapting to unexplored habitats or new ways of life accounts for much of the diversity of life.

"Here was this huge, underexploited resource, the flowering plants. Insects that were able to evolve to make the shift to eat them, enjoyed the fruits, so to speak."

Perhaps most important, the new study provides an answer to one of the most fundamental, and difficult to address, questions in biology: Why are there so many species on earth? The reason appears to be simple: Diversity begets diversity. In fact, it may be no coincidence that the flowering plants are themselves so diverse, because the beetles and other insects attacking them might have provided pressure for the evolution of new, better-defended plant species.

More plants spawn more beetles. More beetles may spawn more plants, as well as more parasites on beetles or more predators, which in turn spawn creatures that eat those predators and on and on.

"It's something we all believe in and we all think is so," said Dr. John N. Thompson, evolutionary biologist at Washington State University and a fellow at the National Center for Ecological Analysis and Synthesis in Santa Barbara, California. "This is one of the best pieces of data we have to show that what we all believe really is so."

Dr. Douglas Futuyma, evolutionary biologist at the State University of New York at Stony Brook, said of the new study, "This is going to make quite an impact. The magnitude of the work is astonishing."

Sea Turtles In Turkey Find Protector

By Stephen Kinzer
New York Times Service

DALYAN, Turkey — On many nights this summer, a mysterious and wondrous spectacle has been unfolding on the beach of this Mediterranean town.

Beginning soon after dark, dozens of giant loggerhead turtles, some a century old or older, emerge from the waves, lumber up the sand, dig meter-deep holes and deposit 100 or more eggs before returning to the sea.

Nat far from the shoreline, a British-born woman who has made Turkey her home sits contentedly in a house made largely of driftwood. Without her, the sea turtles might have lost their breeding ground here, one of the most important in this part of the world.

The woman, June Haimoff, spent many summers aboard a boat sailing in the Aegean before settling in a shack on the sandbar here in 1975. Before long she saw her first breeding sea turtle, and slowly she came to realize that the Dalyan beach was a vital part of the turtles' world. When she learned that a Turkish-German consortium was planning to build a hotel on the beach, she flew into action.

Sea turtles time their egg-laying so that 60 days later when the eggs hatch, a full moon will be shining. The hatchlings follow the glare of the moon to find the sea, which is to be their home. Lights from a hotel would almost surely disorient them and lead many to die within hours of their birth.

Ms. Haimoff, who when asked her age said only that she was born in the 1920s, began by collecting signatures and contacting environmentalists in Germany. Before long an international campaign was under way.

"It was a question of either

being for the turtles, who need this beach for survival, or for people who are just looking for someplace hot for a week so they can go back like lobsters to Bremen or Dusseldorf," she said.

Environmental consciousness was very low in Turkey during the 1980s, and there was not yet a government agency to defend nature and wildlife. Many people in Dalyan became angry at Ms. Haimoff for blocking what they saw as a money-making project. At one point they accused her of being a Greek spy.

But as it turned out, a combination of factors led to a trailblazing victory for Haimoff and the turtles. German campaigners brought public pressure to bear on the German company that was building the hotel. At the same time, management of the family-owned Turkish partner company, Kavala Holding, passed to a young man, Osman Kavala, who considers himself a conservationist.

"When we started construction, hardly anyone in Turkey knew about sea turtles coming to this beach," Mr. Kavala said in an interview. "After we found out what the situation was, we tried to modify the project and turn it into a kind of environmental hotel. But after a while it became clear that the only solution was to abandon the project altogether."

As the developers were changing their position, the Turkish government began to focus on the issue.

In 1987 the prime minister at the time, Turgut Ozal, came here and proclaimed the beach a "specially protected area." As he was departing, several people in the crowd pointed to Ms. Haimoff and shouted that she was the "turtle woman." He stopped, shook her hand and told her: "Thank you. We need people like you."

Raising Grandchildren: The Joy — and Rising Stress

By Susan Gilbert
New York Times Service

NEW YORK — Having grandchildren is supposed to be a storybook experience: snapshots of laughter and bugs, the license to indulge the little ones with gifts and extra helpings of dessert before returning them to Mom and Dad.

But for growing numbers of grandparents, joyful dates with the grandchildren have been replaced by the responsibility of full-time child care. And doctors and other health care professionals are just now beginning to see that the demands are taking a toll on many grandparents' health.

It is not just that grandparents are exhausted from chasing after 2-year-olds and juggling after-school activities. They are suffering from problems like depression, anxiety, high blood pressure, alcoholism and strokes that doctors link in part to the stress of being parents all over again, this time under far more difficult circumstances than the first time around.

"For many, dreams of the golden years aren't so golden," said Dr. Ronald Adelman, director of the Irving Wright Center on Aging at New York Hospital-Cornell Medical Center.

"I am amazed at the need," said Susan Silverstein, a social worker in Great Neck, New York. "A huge

percentage of the grandparents describe feelings of depression and problems with eating and sleeping. Most attribute those problems to stress, but whether they are purely due to stress or to a combination of stress and physiological problems is difficult to ascertain."

But it is when grandparents are bringing up their grandchildren full-time that they are most likely to develop stress-related illnesses, Dr. Adelman and others say. About 4 million children in the United States live in households headed by a grandparent, a 41 percent increase since 1992, according to the Census Bureau. Research by the American Association of Retired Persons attributes this rise mainly to high rates

of substance abuse by parents, child abuse, neglect or divorce.

These social problems leave their mark on children in the form of depression, grief, learning disabilities and other special needs, which add to the grandparents' financial and emotional strain.

Last fall, social workers at Mount Sinai Medical Center in New York conducted a survey of the health of elementary school children in East Harlem who were struggling academically and their grandparent care providers. The survey found that 39 percent of the children suffered from depression, 36 percent had a disorder that involved excessive opposition to and defiance of authority, and 25 percent

had developmental problems. More than half of the grandparents had stress-related illnesses, such as high blood pressure and depression.

Such problems are by no means isolated to impoverished areas. They are prevalent among the middle-class and upper-middle-class grandparents who seek help from Grandparents Reaching Out, a support group for those caring for children that is based in Patchogue, New York, says Mildred Horn, the founder.

The center was established in 1993 by the American Association of Retired Persons in response to hundreds of calls and letters from grandparents desperate for information and emotional support on raising grandchildren.

LANGUAGE

Do You Like Likes or Like? They're Quite Alike

By William Safire
New York Times Service

THERE was the handsome face of the basketball superstar and footgear endorser Michael Jordan on the cover of *Time* magazine. Walter Isaacson, *Time*'s editor, gambled that the iconic Jordan would astound the sports world in the coming week — and sure enough, the cover subject came through with a stellar performance that won the championship for his Chicago Bulls.

The copy on the cover identified the face merely as "Michael," on the assumption that if you didn't know the megastar's last name, you probably lived in a cave beyond reach of mass communication. Below that, a reverent comment: "We may never see his likes again."

Seventeen letters came in to *Time*, and several to me, questioning the use of *likes*.

"Shouldn't that have read, 'We may never see his like again'?" asked J.A. Sullivan 3d

of Caldwell, New Jersey. "I always thought that using *likes* had a bad connotation, as in 'I'm finished with the likes of you.'"

Time's copy editors say they looked it up beforehand in Merriam-Webster's Third Unabridged Dictionary and Eric Partridge's Dictionary of Slang and Unconventional English. James Kelly, *Time*'s Saturday editor, preferred the plural and made the call. The magazine resolutely stands by its usage (look, this isn't nerve gas) and is braced for any assault by nit-picking readers or gotcha grammarians.

Partridge was one of the last of the one-man dictionary writers: that generous sultan of slang used to do his research in the great reading room of the British Museum, where he was available to help such aspiring lexicographers as the likes of me. He opined that the *like* of, as used by the English vituperator William Cobbett in the late 18th century, was "generally in the plural."

Time's other source, Merriam-Webster's

Third Unabridged, accepts the *likes* of but lists first the *like* of, labeling both colloquial. In M-W's Dictionary of English Usage, the *like* of is described as "a variant phrase" well chosen when "the reference is to a single object and no disparagement is intended."

Time could take further solace from Robert Burchfield, editor of the New Fowler's Modern English Usage, who notes, "I was upbraided by a Scotsman for writing *Who has not seen the likes of the following?*" but found examples of the plural use in the OED. (Upbraided, "to criticize or scold severely," is rooted in the Old English *bregdan*, "to snatch, move suddenly," which lives in modern slang as "put a move on." Where was I?)

O.K., a case can be made that the plural *likes* of is acceptable in spoken English. (Lexicons don't use the word *correct* anymore.) This despite the usageist Ted Bernstein's condemnation of it as "a casualism that has no place in serious writing" at bastions of good grammar like *The New York Times*.

The question then becomes: Does the *likes* of carry a pejorative connotation? It does; even loosey-goosey usageists say that when it has a single object like you, "it typically carries overtones of disparagement." Even when it is used with me, it most often implies a gently self-mocking derogation, as used above with such lexicographers as the *likes* of me. Mr. Sullivan of New Jersey had it right.

But disparagement of Michael Jordan cannot be what *Time* intended.

On the contrary, its comment "We may never see his likes again" is probably bottomed on the rumination of Shakespeare's Hamlet about his ghostly father: "He was a man, take him for all in all, I shall not look upon his like again." Or "The Odes of Horace." "When shall we look upon his like again?" Or the King James Version of the Book of Job, in Job's whirlwind description of the wisest serpent Leviathan: "Upon earth there is not his like, who is made without fear."

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DO YOU LIVE IN THE U.K.?

CAPITAL MARKETS ON MONDAY

Sector Funds Present Unique Risks, and Opportunities for Sky-High Returns

By Kathleen Day
Washington Post Service

WASHINGTON — The reshaping of the telecommunications industry continues at a fast clip, as recent headlines attest. Last week, Bell Atlantic Corp. and GTE Corp. announced plans to merge. AT&T Corp. and British Telecommunications PLC unveiled a proposed joint venture, and Brazil raised several billion dollars more than expected in privatizing its telephone system.

Add in the efforts in the rest of South America and in Europe to privatize and deregulate the business of voice and data transmission, and it is easy to fathom the confusion investors feel about where the business is headed and which companies will be winners. That confusion translates into volatile stock prices for the telecom sector, but also

into great opportunities, says Oscar Castro, the Montgomery Global Communications Fund manager.

Montgomery Global Communications, which invests in a widely defined spectrum of communications stocks, had a return of 46.95 percent for the six months ended June 30, compared with

INVESTING

the 17.7 percent return of the Standard & Poor's 500-stock index, a commonly used benchmark, for the same period.

The fund, which was founded in June 1993, has \$330 million in assets and holds stock in 60 companies. Mr. Castro defines communications to include not only voice and data companies but also entertainment companies.

But Montgomery's great showing this year comes on the heels of four years of underperforming the S&P 500,

said Benjamin Poor, mutual fund analyst for the retirement plan consulting firm of Kanon Bloch Carr in Boston.

"Until recently, this fund was a real laggard," Mr. Poor said. The ups and downs of Montgomery Global Communications, he said, illustrate the risks as well as the potentially higher rewards inherent in sector funds, which shun the diversification most funds seek in favor of a focus on a particular industry.

Investors in Montgomery Global Communications should understand that the fund's surge this year has come largely from the run-up in price of one company, Global TeleSystems Group Inc. The company, based in McLean, Virginia, is building new telephone systems in Russia and Eastern Europe. Montgomery Global Communications has more than 12 percent of its assets in the stock, which it bought at \$5 a share. Since the beginning of the year the stock

price climbed to more than \$60 a share, although Russia's financial troubles have since pushed it down to \$53.50.

Mr. Castro said he cannot expect his fund to continue turning in returns in the 40 percent range. But he said the future of the telecom business is bright enough that he is confident his fund will beat its performance from 1994 through 1997. The key will be the ability of his research team to identify good buys in the midst of industry confusion, he said.

He said the fund's focus on foreign markets, while riskier than a domestic strategy, would pay off because deregulation is progressing faster in Europe and South America than in the United States, where regulatory scrutiny and red tape make the telecom industry's future much less easy to predict.

In addition to Global TeleSystems Group, the stocks he likes include Colt Telecom Group PLC in Britain, Manomann AG in Germany, Telefonica de Espana SA and Hellenic Telecom OTE in Greece. In the United States, he likes WorldCom Inc.

Concentrating abroad, he said, also will help the fund attract more customers in Europe, where governments are trying to win the citizens of government-run pension plans in favor of private plans similar to 401(k) plans in the United States.

Investors should "approach with caution" funds such as Mr. Castro's that focus on such fast-changing industries,

said Peter Di Teresa, associate editor of Morningstar FundInvestor, a monthly newsletter for individual investors. That is

because such funds typically buy stock in companies they believe will grow quickly rather than in companies they believe the market has simply undervalued.

"You have to realize there are unique risks in a sector fund," Mr. Poor said, "because an industry can fall into and out of favor quickly, it could be hampered by a sudden oversupply, political changes such as legislation could hamper it, and it could be the victim of a strike, as the auto industry has been."

Morningstar, which tracks the performance of mutual funds, gives Montgomery Global Communications a 2-star rating out of a possible 5, but notes that its risk and return levels are about average. So who should invest in a sector fund such as Mr. Castro's? He believes the long-term outlook for telecommunications is so good that a 5 percent to 10 percent investment in sector funds is a good bet for nearly anyone.

Analysts are more cautious. That said, however, sector funds can "plug



Oscar Castro sees a bright future in telecoms.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending July 31. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price Cr Yld

Australian Dollar

203 Queensland Trv 6 1/4 04/1/05 104.4953 4.2700

Austrian Schilling

144 Austria 5 01/1/08 101.5000 4.9000

171 Austria 6 1/4 01/1/27 112.8000 5.4400

British Pound

121 Annington 2 1/2 01/1/03 109.0000 7.2200

149 Orange 8 1/2 01/1/03 121.5000 4.5100

149 Orange 8 1/2 01/1/03 121.5000 4.5100

224 Natl Income 10 1/4 04/1/08 102.8000 7.2400

234 Credit Local 6 1/4 05/1/03 98.0017 6.5000

Canadian Dollar

155 Canada 5 03/1/00 99.5525 8.0200

Danish Krone

19 Denmark 7 11/1/07 114.5423 6.1100

26 Denmark 9 11/1/00 109.7500 8.2000

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33 Denmark 8 03/1/06 119.5800 6.9000

34 Denmark 6 11/1/09 108.2100 5.4400

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Brunei Airline Takes Economy Under Its Wing

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Unlike in Europe and the Americas, Asia's most successful airlines have sprouted in tiny nations and territories like Singapore and Hong Kong, places that have no domestic routes and only a small pool of local passengers to draw from.

This would seem to be a good precedent for Brunei, a tiny, oil-rich country on the northern tip of Borneo island. Brunei is promoting plans to become a regional passenger and cargo hub within five years and wants to convert its airline, Royal Brunei, which has 12 medium-haul aircraft, into a regional player.

While many carriers around the region have canceled aircraft orders as intra-Asian traffic has plummeted, Royal Brunei recently signed a deal to buy two Airbus A319s, the first pur-

chase in what the airline says will be a fleet-renewal program.

"We haven't been as badly affected by the economic downturn as other countries," said Paul Wood, the airline's spokesman, in a telephone interview. "We're small enough but flexible enough to be able to say: 'Now's the time to take advantage of the downturn not just to get our act together but to fine-tune our operation strategy for the next couple of years.'"

There's another reason the airline can order aircraft in the midst of Asia's financial crisis. The boss of Royal Brunei Airlines is the Sultan of Brunei, one of the richest men in the world, and someone who owns more aircraft than the national airline.

Seeking to diversify the economy of his kingdom of 300,000 people away from oil, the Sultan hopes to see Brunei become a "service hub for trade and tourism" by 2003. The plan goes by

the somewhat awkward acronym, SHUTT 2003, although the goal of the program is to open relatively isolated Brunei to the rest of the world.

Airline industry analysts are skeptical of the plan, seeing little incentive for Brunei to internationalize like Hong Kong and Singapore have done.

Brunei is basically a family estate," says Paul Lewis, Asian editor of Flight International magazine. "What's the incentive for you to open up your family estate, your ancestral home if you're absolutely awash in money? You don't want an army of bucket-and-spade tourists wandering around the estate."

But Brunei wants to do more than just bring in tourists. The country is expanding its deep-water port to help spur its cargo business and recently signed a deal with the city of Brisbane, Australia, to feed cargo from New Zea-

land and the east coast of Australia through Brunei and then out of the airline's network to the Middle East and Europe.

"We are confident the demand for regional air-cargo services will continue to increase," said Ibrahim Ismail, newly appointed managing director of Royal Brunei.

The airline also plans to serve as hub for passenger traffic to Borneo and the region, ferrying tourists to the island's rain forests and coral reefs.

The country plans to double the capacity of its tiny airport to 3 million passengers by 2003.

But handling transit passengers has its pitfalls as well. "If there is a mishap with the connection, they would have to keep these passengers in a hotel somewhere near the airport, and there is a slight complication," because

See BRUNEL, Page 13

South Korean Exports Fell by 13.7% in July

Concern Grows That Recession May Deepen

SEOUL — South Korean exports dipped at the steepest pace in nearly 14 years last month due to flagging demand in Asia, raising concern the country's export-driven economy will slog deeper into its worst recession in more than four decades, according to government data released Sunday.

Exports fell 13.7 percent to \$10.2 billion in July from a year ago. This was down from \$11.44 billion in June, the Commerce, Industry and Energy Ministry said.

With Japan in recession and other Asian countries struggling to keep their economies afloat, the monthly export drop may continue, analysts warned. Half of Korea's exports are to Asia.

The ministry attributed the monthly fall in exports to Asia's overall economic slowdown and a domestic credit crunch eroding the nation's industrial base.

Shipments of key products have decreased sharply since May because of labor disputes and the weakening yen, which has undercut South Korean shipbuilding, auto, electronics and machinery products, it said.

The ministry warned that South Korea may not achieve the target of year-end trade surpluses estimated at \$40 billion without special steps to bolster exports, the engine of economic recovery.

Trade experts have warned since December that flagging exports would

delay government efforts to hand South Korea out of its financial crisis.

"Asia's deepening economic problems will take a more severe toll on Korean exports in the second half," said Shin Hoo Shik, an economist at Daewoo Economic Research Institute. "The Asian woes will dent Korea's bid to export its way out of recession, dragging out the economic meltdown."

Exports to recession-ridden Southeast Asian nations dropped 19.2 percent from a year ago to \$686 million in the first 20 days of July; those to China fell 11.7 percent to \$499 million, and those to Japan plunged 31.5 percent to \$505 million.

The bigger-than-expected drop in July exports was triggered by shrinking sales of automobiles, semiconductors and petrochemicals while South Korea's biggest automaker, Hyundai Motor Co., and its rival, Daewoo Motor Co., were disrupted by strikes, costing a combined \$280 million in lost exports. Also, a glut in the semiconductor market pulled down global prices, the ministry said.

The figures suggested that the 28.4 percent decline in the Korean currency over the past 12 months did little to boost exports. The decline also reaffirms expectations that Koreans will have a harder time selling goods overseas due to increased competition from Japanese companies profiting from a weaker yen. (Bloomberg, AFP)

CYBERSCAPE

Anti-Semitic Site Tests Canada Law

New York Times Service

TORONTO — Just days after a pro-Nazi trilogy of novels called "Lebensraum" was published in the United States last April, Canadian customs agents confiscated a shipment of the books at the border, contending that they promote hatred against Jews and violate Canada's anti-hate laws.

The author of the trilogy, Ingrid Rimland, 62, promotes the books and the ideas they contain on a Web site she runs out of a San Diego suburb. The site is named Zundelsite, and it is filled with the words and ideas of Ernst Zundel, a Toronto resident who is one of the world's most insistent Holocaust deniers and distributor of anti-Semitic literature. The trilogy was privately published. Its title, meaning living space, is a reference to Nazi imperialism.

While Canada's laws are clear on how to deal with offensive written material, they are still untested on communication that seeps across the border electronically. Canadian customs agents regularly seize books, magazines and compact disks that violate standards of decency or promote hate.

Now, for the first time, there is a serious attempt to address the issue of the same kind of material on the Internet. The Canadian Human Rights Commission has charged Mr. Zundel with spreading hate propaganda and is intent on shutting down the Zundelsite. The commission contends that although the site is run from California, Mr. Zundel controls its content and thus can be prosecuted under Canadian laws.

The case against Mr. Zundel began last fall and has encountered complications as the quasi-judicial human rights tribunal wrestles with new legal issues of law and technology. "We don't think the Internet is a law-free zone — much as some people might want it to be when it suits their purposes," said Bill Penney, general counsel for the commission. "We are trying to control — not the Internet — but Ernst Zundel by applying Canadian laws to him."

The case has raised questions of freedom of speech, which is guaranteed in the Canadian Charter of Rights and Freedoms. Recently, Mr. Zundel was prohibited by the House of Commons from holding a news conference in a room in Parliament that is available to the public. He complained that his rights had been violated.

"Ultimately, it has everything to do with freedom, and all these other issues are really only subjective, peripheral, spinoffs," Mr. Zundel said during an interview in his home. "I am not a country, I am one man, and I say this man will not be browbeaten."

The German-born Mr. Zundel, 59, has lived in Canada for 40 years, but he has been denied citizenship on the grounds that he is a security risk. He sees himself as a martyr, hounded by governments that have unfairly portrayed German history. The Zundelsite, set up in 1995, prominently features his assertion that the Holocaust was a hoax.

But Kenneth McVay, founder and director of the Nizkor Project, an extensive Holocaust resource Web site, sees the issue differently. "Zundel is a man who peddles lies and hatred for profit," he said.

Among the thorny issues raised by this case is how to determine the origin of an Internet site. If the Zundelsite is based in California but Mr. Zundel is in Toronto, which country is responsible for its contents?

The Canadian Human Rights Commission contends that Mr. Zundel controls the Web site and therefore can be prosecuted under Canada's hate laws. Canadian authorities are seeking to apply Section 13 of the Canadian Human Rights Act, which prohibits anyone from using telephone lines to spread hate messages based on race, religion or ethnic origin.

Ed Morgan, national legal counsel for the Canadian Jewish Congress, said it would be almost impossible to bring a suit in the United States to shut down the Zundelsite because of First Amendment protections of free speech that have been extended to the Internet in previous cases.

Recent technology articles: www.ihl.com/HTHITECH/
Internet address: CyberScape@ihl.com



IMF's Stanley Fischer, center, addressing the media in Moscow with Anatoli Chubais, right.

Russia's Progress Pleases IMF

Moscow Is Boosting Tax Revenue and Narrowing Its Deficit

Bloomberg News

MOSCOW — Russia is boosting tax revenue and narrowing the budget deficit in line with its \$22.6 billion loan agreement with the International Monetary Fund, according to Stanley Fischer, the fund's first deputy managing director.

Mr. Fischer arrived in Moscow on Saturday for two days of meetings with government and central bank officials to assess Russia's progress in implementing a program to reduce its reliance on short-term borrowing.

If revenue continues to grow and the government follows through on its promises to the IMF, the next \$4.35 billion installment of Russia's loan package will be approved in late September, Mr. Fischer said.

"We are seeing important progress in the area of revenue, and expenditure control also is being implemented well," Mr. Fischer said. "This is still the early stage of implementation of the government's program, but it is so important I thought it useful to visit and discuss what's been happening with the government."

Tax revenue increased in July from June, and from the same month a year earlier, and foreign currency reserves increased, boosted in part by the first \$4.8 billion installment of the IMF-led loan package, paid two weeks ago, said Anatoli Chubais, Russia's envoy to the IMF. That has eliminated the risk that Russia would have to devalue the ruble to meet its obligations, he said.

"The biggest danger has been overcome, and the issue of devaluation no longer exists," Mr. Chubais said. "It has been removed."

The government program is intended to boost revenue by 102 billion rubles (\$1.65 billion) this year. The lower house of Parliament, the Duma, last month approved part of the program, while rejecting some of the most important measures. The remainder of the tax law changes and other measures were decreed by President Boris Yeltsin.

Because of concern about implementation of the parts of the program that were rejected by the Duma, the IMF's board reduced the size of the first loan payment by \$800 million, to \$4.8 billion. Initial data from July show that the government is succeeding, Mr. Fischer said. Tax revenue rose by

about 7 percent in July from the previous month to at least 12 billion rubles, Finance Minister Mikhail Zadornov said last week.

"It is well understood that at the center of the government's program that is supported by the IMF is the problem of reducing the budget deficit," Mr. Fischer said. "We reviewed the steps taken and the agreed measures are being implemented as expected."

Return Trip Keeps the Pressure On

Celestine Bohlen of The New York Times reported earlier:

The quick return trip to Moscow by Mr. Fischer, who led the negotiations with Russia, was seen as a

See RUSSIA, Page 13

U.S. Judge Blocks Two Mergers of Drug Firms

By David Segal
Washington Post Service

WASHINGTON — A federal judge has blocked a pair of mergers among the largest American drug wholesalers, ruling that the deals would vastly reduce competition in the industry.

Judge Stanley Sporkin, in a ruling announced Friday, granted the Federal Trade Commission's request to stop McKesson Corp. from buying AmeriSource Health Corp. for \$1.79 billion and to block Cardinal Health Inc. from acquiring Bergen Brunswig Corp. for \$2.62 billion.

The commission contended that the mergers would leave just two companies in control of about 80 percent of the \$53 billion wholesale drug market.

Judge Sporkin agreed, saying in his decision that the companies "simply have been unable to overcome the FTC's charge that going from four to two na-

tional firms would reduce the competitive balance beyond that which is legally permissible."

The companies had argued during weeks of hearings that the mergers would produce enormous efficiencies, reduce overhead costs and lead to millions of dollars in savings for their customers — retail chains, managed care insurers and hospitals. Officials at Cardinal, the second-largest player in the industry, planned to consolidate headquarters and slash by half the number of warehouses it operates. Savings from these cuts, the company said, eventually would be passed on to consumers.

Debra Hadley, Cardinal's director of investor relations, said the company was disappointed with the ruling and was considering an appeal. "We continue to believe that this merger would have resulted in much lower prices, as well as improved services, which we now won't be able to provide to the same extent," she said.

McKesson and AmeriSource said Friday it was "highly unlikely" the two drug wholesalers would pursue their merger.

"We will discuss the impact of this decision on our merger agreement. In view of the decision, it is highly unlikely that we will continue to pursue our merger," the McKesson chief executive, Mark Pulido, and the AmeriSource chief executive, R. David Yost, said in a joint statement.

In recent weeks arbitrageurs began bidding up the stocks of several of the drug companies, apparently spotting signs that Judge Sporkin was sympathetic to the proposed mergers and ready to approve them. AmeriSource, for example, was trading at \$51 a share in May and closed Friday at \$76.25. The decision was released after the stock market closed, so it did not affect the companies' stock. Analysts predicted the shares of the four companies would decline about 15 percent Monday morning.

CURRENCY RATES

Cross Rates July 31									
	U.S.	U.K.	FF	DM	S.F.	Yen	CS	Per	Other
Australian	1.2815	1.2725	1.2725	1.2725	1.2725	1.2725	1.2725	1.2725	1.2725
Belgian	36.35	36.35	36.35	36.35	36.35	36.35	36.35	36.35	36.35
British	1.7785	1.7785	1.7785	1.7785	1.7785	1.7785	1.7785	1.7785	1.7785
Canadian	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498
French	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65
German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italian	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Japanese	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8
Swiss	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498
Other	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498	1.498
Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Australian	0.7799	Guatemalan	214.28	Malaysian	0.52	S. African	6.14	Thai	24.37
Canadian	0.6994	Hong Kong	7.7475	N. Zealand	1.9521	S. Korean	123.00	Turkish	2.0041
French	0.0655	Indonesian	1,547.80	Portuguese	206.48	Singapore	0.7056	U.S. Dollar	1.0000
German	0.5163	Japanese	109.80	Spanish	166.64	Taiwan	24.37	Yen	109.80
Italian	0.5200	South African	0.1630	Swiss	0.6650	Thai	24.37		
Japanese	0.0091	Swedish	8.4660	U.S. Dollar	1.0000				
Swiss	0.6650	Taiwan	24.37						
U.S. Dollar	1.0000								
Yen	0.0091								
Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day	Currency	30-day
British	1.6331	1.6304	1.6277	Japanese	143.85	143.21	142.09	Yen	109.80
Canadian	1.4980	1.4975	1.4970	Swiss	1.4972	1.4964	1.4950		
French	1.7785	1.7780	1.7775						

Is Tokyo Shying Away From Tough Economic Decisions?

By Sandra Sugawara
Washington Post Service

TOKYO — After several weeks of brave talk about how they would aggressively tackle Japan's banking woes, the nation's chief economic policymakers are now talking up the advantages of a "soft landing." And that is raising concern among some financial experts that Japan may be shying away from the tough measures needed to resolve its economic crisis.

Keizo Obuchi, the new prime minister, said to President Bill Clinton on the telephone Saturday that the Japanese economy was his "top priority" and that the two nations' economic-policy leaders need to stay in "close contact," a White House spokeswoman said.

Last week, Mr. Obuchi and Kiichi Miyazawa, the new finance minister, agreed that their goal was to avoid a "hard landing," according to Japanese news reports. "Anyone can achieve a hard landing," Mr. Miyazawa was quoted as telling Mr. Obuchi.

In a similar vein, Kaoru Yosano, the new minister of international trade and industry, told Reuters Television that he opposed forcing large banks to close.

"We must avoid applying stringent conditions that make banks fail," he said. "We must not make banks which are too large fail."

Such talk raises the prospect that Japan's new government, for all its sloganeering about being a government of "economic reconstruction," may be just as inclined as previous governments to try muddling through a long period of stagnation without forcing large-scale bankruptcies or layoffs.

That is a worrisome scenario for the Clinton administration, which frets that Tokyo could be verging on a catastrophic crisis if it does not convince financial markets that it is addressing its problems forcefully.

Officials in Washington have been advising the Japanese on how U.S. regulators shut down scores of weak savings and loans institutions in the late 1980s and early 1990s, arguing that

unless Tokyo takes similar action to get rid of sick banks, the Japanese economy will remain mired in recession for much longer.

In a brief appearance on the economy Thursday, Mr. Clinton underscored U.S. concern about the spillover effects of the slump in Japan, which has the world's second-largest economy.

"It is especially important for Asia, and for our economy, that the new Japanese government move forward, quickly and effectively, to strengthen its financial system and stimulate and open its economy," Mr. Clinton said.

But some of the U.S. arguments are meeting resistance in Tokyo. A top Japanese banking regulator dismissed as overblown the contention that America's savings and loan cleanup offered a model for Japan.

"In the U.S., there was only one example where a major U.S. bank was about to fail — Continental Illinois," and U.S. banking regulators bailed it out

See JAPAN, Page 13



Prime Minister Obuchi at his first press conference.

سكاي نيوز

Figures as of close
of trading Friday, July 31

This table shows the performance of Hunter-Speck Wildfowl flocks through Spring and Autumn on the 4,120 flocks currently active in the Hunter-Speck Wildfowl flocks.

Group names are shown in bold type, with individual flock names in normal type. The number of flocks in each group is shown in parentheses.	Spring	Autumn
Group 1 (10)	100	100
Group 2 (10)	100	100
Group 3 (10)	100	100
Group 4 (10)	100	100
Group 5 (10)	100	100
Group 6 (10)	100	100
Group 7 (10)	100	100
Group 8 (10)	100	100
Group 9 (10)	100	100
Group 10 (10)	100	100
Group 11 (10)	100	100
Group 12 (10)	100	100
Group 13 (10)	100	100
Group 14 (10)	100	100
Group 15 (10)	100	100
Group 16 (10)	100	100
Group 17 (10)	100	100
Group 18 (10)	100	100
Group 19 (10)	100	100
Group 20 (10)	100	100
Group 21 (10)	100	100
Group 22 (10)	100	100
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Group 80 (10)	100	100
Group 81 (10)	100	100
Group 82 (10)	100	100
Group 83 (10)	100	100
Group 84 (10)	100	100
Group 85 (10)	100	100
Group 86 (10)	100	100
Group 87 (10)	100	100
Group 88 (10)	100	100
Group 89 (10)	100	100
Group 90 (10)	100	100
Group 91 (10)	100	100
Group 92 (10)	100	100
Group 93 (10)	100	100
Group 94 (10)	100	100
Group 95 (10)	100	100
Group 96 (10)	100	100
Group 97 (10)	100	100
Group 98 (10)	100	100
Group 99 (10)	100	100
Group 100 (10)	100	100

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This table shows the performance of Nasdaq-listed mutual funds through Friday and indicates the net \$100 funds in terms of assets. There are roughly 4,900 funds currently listed on Nasdaq.

Group names are shown in bold face, with individual fund names in each group indented below. Funds that are not part of a group are not indicated.

NAV is the net asset value, i.e., the portfolio value divided by the number of shares outstanding, as reported by the fund through Nasdaq. NAV consists of all sales or redemption charges. Changes show the percentage from the previous Friday.

Group fund footnotes: **a** = available only through a discount plan; **b** = an extended fund or contingent deferred sales plan; **c** = funds are used to provide distribution costs; **d** = redemption fee or contingent deferred sales load may apply; **t** = footnotes p and r apply.

Price fund footnotes: **g** = an capital gains distribution; **f** = provides for a dividend; **e** = stock dividend or split; **s** = cash dividend.

هكذا من الفصل

As Election Nears, Brazil Scales Down Plans to Restructure Economy

By Diana Jean Schemo
New York Times Service

RIO DE JANEIRO — Last fall, as the wave of financial crises surging through Asia threatened to engulf emerging markets around the world, President Fernando Henrique Cardoso appeared to be taking swift, decisive action to distance Brazil from the trouble.

He doubled interest rates to 43 percent, a move intended to protect the real, Brazil's currency. He announced a package of 51 measures to raise \$18 billion in government revenue and to cut costs, in part by dismissing more than 30,000 civil servants, freezing public-employee wages and clearing the rosters of dead pensioners whose survivors, conveniently, failed to notify the government.

It was months before Mr. Cardoso would begin his campaign for re-election, and Wall Street hailed Brazil's decisiveness. But as the October presidential election gets closer, the tough talk of last year has disappeared, and the promises of civil service and social security changes that backed the fiscal

stabilization program four years ago remain half-done. Although Brazil is still vulnerable to the strains and threats from emerging markets half a world away, the federal government in Brasilia has ceased moves to cut spending.

Of the 51 austerity measures, only those that involved raising revenue were enacted, while layoffs and other cost-cutting measures were either watered down or abandoned. Even the crackdown on fraudulent pensioners has collapsed.

Eager to make up for a series of political gaffes in recent months, the president renounced some of the measures as "unnecessary evils" and instead raised civil service wages. He spent more than \$5 billion to spur the construction of low-cost housing, and opened the tap for billions in agricultural credits.

Faced with polls that showed growing popularity for his left-of-center rival for the presidency, Luiz Inacio Lula da Silva, Mr. Cardoso also relaxed the pressure on government agencies to reduce spending for the rest of the year, saying they could spend money on the basis of projected, rather than actual revenue. The expected

cost? More than \$4 billion.

With official unemployment running at 8.2 percent, the president pledged that creating jobs would be a priority during a second administration.

"They've come down off their high horse and seen what the polls were saying," said David Fleischer, a political science professor at the University of Brasilia, who writes the newsletter Brazil Focus.

Mr. Cardoso is again more comfortably ahead in voter surveys, and most analysts expect him to win the required majority in the first round of balloting.

Mr. Fleischer and others credit the Brazilian president with acting quickly to contain the effects of the Asian crisis. The auction on Wednesday of Telebras, which brought the government \$19 billion for its controlling stake in the national telecommunications system, showed that investors remain bullish on the country's long-term prospects. Brazil receives the most direct foreign investment of any emerging market.

But analysts add that Brazil's economic health has suffered with the pres-

ident's failure to follow through. In part because of the sharp increase in interest rates, the budget deficit climbed to 6.7 percent of the gross domestic product, with the deficit for April nearly 80 percent higher than that for April 1997.

"A lot of the measures were for the English to see," said Alexandre Barros, an economic consultant, using an expression dating back to the 1800s, when Brazil, deeply in debt to England, distracted its creditors by pledging to turn over customs revenue, which had been falsely inflated.

Despite the pledges to outsiders, Mr. Barros said, the government has increased rather than cut spending since November. "The government did a lot, but the lot that it did was not enough, especially with the deficit," he said.

In a recent interview in Brasilia, Finance Minister Pedro Malan acknowledged that the austerity measures Mr. Cardoso promoted last fall were "absolutely essential" to shoring up Brazil's standing at the time. Though they were not all carried out, he said, "we showed that we were firmly com-

mitted to continuing to move forward with the real."

With the country's foreign-exchange reserves at nearly \$71 billion, after falling to \$52 billion when the government was forced to defend the currency last fall, Mr. Malan argued that Brazil was now "in a better position," and he called a devaluation "out of the question." The real, which trades within an exchange-rate band, is selling at 1.163 to the dollar, compared with 1.10 to the dollar last November.

The economic and financial restructuring effort known here as the Real Plan began four years ago. It proceeded from policies the president instituted as finance minister in the preceding administration, reducing inflation to less than 5 percent this year from quadruple digits at its worst stage. The plan has helped lift millions of Brazilians out of poverty, in part by broadening access to credit. Before the effects of the Asian crisis spread, the sales of cars, appliances and other consumer goods had mushroomed in this country.

But the plan required sharp changes

to modernize the economy: privatizing state industries, removing obstacles to foreign investment, cutting government payrolls and social security expenses, and dismantling obstacles to the dismissal of workers. Privatizations and other revenue-producing measures have taken off, but more difficult efforts to reduce social security benefits or civil service rolls have either stalled or been approved but not yet enacted. Special-interest groups like judges and politicians have maneuvered to maintain relatively lavish pensions, for example, making it politically harder to demand sacrifices from ordinary workers. The last ballot on social security reform failed by two votes.

David Rothkopf, president of Newmarket Co., an investment firm in Washington, reflected on Brazil's defeat in the world soccer finals by France and remarked: "There is a growing sense that the World Cup loss might not be the biggest disappointment Brazil faces this year. They are not looking like they'll be able to deal with some of the scenarios that might come along."

BRUNEI: Economic Takeoff?

Continued from Page 11

Brunei requires a visa for visitors from many countries and a visa can take weeks to get, said Hugo van Reijen, an airline-industry critic and the author of "Why Not Fly Cheaper?"

The size of Brunei's capital is also an issue: 60,000 people and only a handful of large hotels is not a place accustomed to handling throngs of tourists.

As an airline, Royal Brunei was designed to mirror the country it serves, one of the wealthiest countries in Asia judged by per-capita income.

While other airlines in Asia have dispensed with first-class cabins on short-haul flights, Royal Brunei maintains an especially sumptuous one, replete with gold-plated seat-belt buckles.

"Lie back in the plush comfort of your leather with the sparkle of gold on your seat fittings," says a brochure for the airline.

Even though many of its passengers are foreign and non-Muslim, the airline, unlike other carriers in the region based in Muslim countries, does not serve alcohol on board.

Movie screens are installed throughout the cabin that show the direction of Mecca regularly throughout the flight.

"We are a Muslim airline," Mr. Ibrahim said. "Our research would indicate that, given a high standard of service, alcohol is not an issue."

Mr. Lewis of Flight International says the issue of Brunei, becoming a regional hub is not so much about the airline as about Brunei itself.

"For years they've been anti-tourist and made it very difficult for people to go there," he said.

"They are only now starting to relax those restrictions. But you have to ask yourself: Why anyone would want to fly there?"



Sultan Muda Hassanal Bolkiah of Brunei, right, has not been seeing eye-to-eye with his brother, Prince Jefri Bolkiah, in recent weeks.

Sultan Fires His Brother, Again

RANDAR SERI BEGAWAN, Brunei — Sultan Muda Hassanal Bolkiah of Brunei has stripped his brother, Prince Jefri Bolkiah, of control over the collapsed Amedeo Development Corp., the prime minister's office said Sunday.

The prime minister's office said the sultan had appointed two international accountants as executive managers of Amedeo and nine of its subsidiaries or associated companies.

The appointment of the managers was the latest move by the sultan, against his younger brother. Last week, the sultan stripped Prince Jefri of control over the Brunei Investment Agency, the country's overseas investment arm, and a telecommunications empire.

The two partners in the London office of the accounting firm Arthur Andersen will investigate the deal-

JAPAN: Is It Going 'Soft'?

Continued from Page 11

to protect the U.S. financial system and the economy, said the official, who works at Japan's Financial Supervisory Agency.

The official, who spoke on condition of not being identified, said the failed savings and loans were small institutions that had little impact on the U.S. economy or financial system. He compared them with the 150 credit cooperatives that Japan has closed in the last five years. In contrast, Japan's 19 largest banks account for 63 percent of total bank loans in the country.

Still, critics contend that Japan is only making its problem more costly and potentially explosive in the long run by allowing banks that are basically insolvent to continue operating and lending to companies that are virtually bankrupt.

"We've had seven years of a soft landing. Hello. It doesn't work. Give me a hard landing," a respected banking analyst for a major American brokerage here said recently.

Some Japanese media are losing patience as well. The Mainichi Shimbun, a nationwide daily, chastised Mr. Miyazawa's "hard landing" comments, saying they were "unbecoming to a person who is supposed to know how tough financial reforms are."

Some analysts believe the Obuchi government will take the needed steps in the end. Mr. Obuchi has pledged to proceed with the "total plan," unveiled in early July by the former prime minister, Ryutaro Hashimoto, to help the banking system rid itself of bad loans.

Under the plan, the government would pour taxpayer funds into "bridge banks" that would take over the operations of weak banks. Loans deemed uncollectible would be sent to an agency that would sell off the collateral.

French Government Urged to Cut Deficit

PARIS — France's government should cut public spending more and take advantage of faster economic growth to reduce its deficit faster, the Bank of France governor said in an interview with the French weekly *Le Journal du Dimanche*.

The government plans to raise spending 1 percentage point more than inflation next year and cut the deficit to 2.3 percent of national output from 3.0 percent this year, the highest of the 11 European Union nations adopting the euro, Europe's single currency, in January.

Still, critics contend that Japan is only making its problem more costly and potentially explosive in the long run by allowing banks that are basically insolvent to continue operating and lending to companies that are virtually bankrupt.

British Group Presses For Interest-Rate Cuts

LONDON — A top employers' group, the Confederation of British Industry, stepped up the pressure on Britain's monetary policymakers on Sunday, warning that recession in the manufacturing sector could trigger a sharp slowdown in the entire economy.

A battery of bleak economic reports, including the confederation's own industrial trends survey, prompted the lobby group to call earlier this week for a cut in interest rates for the first time in three years.

India Pledges Reform

NEW DELHI — India's Hindu nationalist-led government Sunday vowed to step up the pace of economic reform, saying it planned to introduce major legislation in Parliament this week.

Finance Minister Yashwant Sinha said bills to counter money laundering and relax the punishment given to those who break foreign-exchange laws

SHORT COVER Daiwa to Slash Jobs

TOKYO — Daiwa Securities Co. will fire at least 30 percent of its employees outside Japan, or about 360 people, to stem mounting losses, said Yoshihisa Hara, president of Japan's second-largest brokerage.

The Tokyo-based brokerage — whose businesses abroad include a primary dealership for U.S. government securities, and trading in stocks, bonds and currencies with institutions — will cut its Asian work force by 40 percent and reduce staff in New York and London by about 30 percent.

Bouygues Sidetracked

KUALA LUMPUR — The French contractor Bouygues SA has halted work on a mammoth railway project in central Kuala Lumpur because it has not been fully paid for work already carried out, a Malaysian business weekly reported Sunday.

The Edge said the developer, an affiliate of Malaysian Resources Corp. Bhd., was now seeking government assistance since it "may have defaulted in paying the French contractor due to its cash-flow problem."

Kuwait Airline Layoffs

KUWAIT CITY — Kuwait Airways Corp. said Sunday it will raise fares, cancel unprofitable routes and lay off hundreds of employees before its full transformation into a public shareholding company.

The chairman of Kuwait's state-owned carrier, Ahmad al-Meshari, said that a shake-up would be needed to prepare the airline for "operation in the commercial sector, subject to market forces of supply and demand."

BOOKS

HOPE IN A JAR

The Making of America's Beauty Culture
By Kathy Peiss. Illustrated. 334 pages. \$25. Metropolitan Books.

Reviewed by Alex Witchel

A WEEK before final exams, my college roommate skipped a day of classes to go into Boston to Saks Fifth Avenue for the opening of the Erno Lazzio Skincare Clinic. Six hours and a few hundred dollars later, she returned with her new "skin system," some white bottles and a bar of black soap. From that day on, everyone called her Erno.

I thought of Erno while reading Kathy Peiss's meticulously, almost lovingly, researched social history, "Hope in a Jar: The Making of America's Beauty Culture."

Peiss, a professor of history at the University of Massachusetts and the author of the highly praised "Cheap Amusements: Working Women and Leisure in Turn-of-the-Century New York," no doubt has her own flock of Ernos to contend with, though with her kind of academic writing, they would be well advised to stop skipping class.

Peiss approaches the cosmetics industry not with the feminist cry of the 1960s that the men who run it victimize women by objectifying them, but with the premise that the beauty business was built largely by women for women from the 1890s to the 1920s.

"The very notion of femininity, emphasizing women's innate taste for beauty, opened opportunities for women

in this business, even as it restricted them elsewhere," she writes. "And women seized their chances, becoming entrepreneurs, investors, manufacturers, distributors and promoters."

Peiss notes that with the advent of photography in 1839, people began to see themselves in a new way. They also started seeing photographs of celebrities: actresses, socialites, ballet dancers. She traces the 19th-century obsession with skin whitening by powdering and "pinking," which women often did secretly. Though recipe books for cosmetics were common, some women used commercial products like Laird's Bloom of Youth, which landed more than one of them in the hospital with lead poisoning.

The obsession with whiteness went so far that one startling advertisement Peiss includes from a 1903 issue of *The Colored American Magazine* boasted of a product called "Black Skin Remover" with a "before" drawing of a black woman and an "after" drawing of a white woman.

In addition to telling the stories of the era's two leaders, who sold their products to wealthy white women and whose names still endure — Helena Rubinstein and Elizabeth Arden — Peiss includes their African-American counterparts, Madam C.J. Walker and Annie Turnbo Malone.

Malone began her business in Illinois by making the product Wonderful Hair Grower and with her sister went from town to town demonstrating the shampoo, later renamed Poro, on herself.

Madam C.J. Walker, born Sarah Breedlove, was the child of former slaves

who became a Poro agent, then developed her own hair-care product. She married a newspaperman, Charles J. Walker, who helped her start an advertising campaign and mail-order business. She settled in Indianapolis and also expanded nationally. By 1918 she employed thousands of sales agents.

By the mid 1930s, cosmetics had become so much an accepted part of the culture, Peiss writes, that "social scientists reported that personal appearance significantly influenced young women's self-expression and self-esteem, findings publicized in magazines for parents."

It took until the late '60s for feminists to "indict the beauty industry as a cornerstone of women's oppression," which only prompted the creation of "the natural look" and invoked the "liberated" woman as a beauty type.

Overall, Peiss has given a strong structural framework in the story of why women, over the last century, have been drawn to makeup, to the power of illusion, the possibility of transformation, the fleeting combinations of hope and fear, romance and ego, fantasy and reality that most women experience each time they look in the mirror. They were — and are — all prey to hope in a jar, the phrase coined by Charles Revson, the founder of Revlon.

Which is not necessarily a bad thing, as Peiss stresses. On that fateful night when Erno returned from Boston, she had the unmistakable air of victory about her. Hope might indeed come in a jar — or a bottle or a bar of black soap — but make no mistake. If it did, she owned it.

New York Times Service

ASIA: What If the Worst Were to Happen? It Wouldn't Be So Bad

Continued from Page 1

difference between boom and bust. Nevertheless, the DRI study highlights two basic features of today's U.S. economy that sometimes are obscured by the avalanche of gloomy economic news from across the Pacific.

Despite the increasing globalization of American companies and recent efforts to strengthen economic ties to Asia, trade with the Pacific Rim remains relatively limited. Exports to Asia account for only 2.4 percent of the U.S. economy and only a third of total U.S. exports.

The domestic economy, meanwhile, remains remarkably strong and well-balanced. Unlike previous expansions, when rapid growth has sent prices soaring, inflation is tame this time around. As a result, the Federal Reserve Board "has the leeway" to respond to a potential slump

by "cutting interest rates sharply," the study notes.

The U.S. economy has tremendous momentum going into the Asian crisis," said DRI's chief international economist, Nariman Behravesh, who directed the analysis. "If the crisis were to hit at a different point in the U.S. business cycle, things would be a lot worse."

The DRI study finds that a meltdown in Asia would clobber key emerging markets, such as Russia and Brazil by battering exports and boosting rates of inflation and unemployment. A further collapse in Asia also would inflict severe pain on oil-producing nations in the Middle East, which count the Asian economies among their most important customers.

But for the rest of the world, the effects of a pronounced slump in Asia would be only modestly negative. The U.S. economy would contract by

0.5 percent in 1999, but bounce back quickly, attaining a healthy annual growth rate of 3 percent by 2001, DRI analysts predicted.

A "worst case" outcome in Asia would drive the U.S. unemployment above 7 percent, or about one percentage point above the level that DRI expects if the economic expansion were to wind down without new shocks from Asia. The stock market could drop as much as 25 percent.

By comparison, during the wrenching recession year of 1982, the U.S. economy contracted at a 2.1 percent rate, and joblessness topped 10 percent. During a milder recession in 1991, growth was -0.9 percent and unemployment for the year averaged 7.5 percent.

In Western Europe, meanwhile, an Asian Armageddon would cause growth to slip to 1.3 percent in 1999. But on average, growth in European

BRIDGE

By Alan Truscott

DURING the Spring Nationals in Reno in March, it was announced that the famous partnership of Bob Hamman and Bob Wolff was breaking up after collecting a bunch of world titles in a span of more than a quarter of a century.

It was known that Hamman would play with Paul Soloway, owner of the world's biggest collection of master points, but Wolff's plans were a mystery.

In Chicago recently, Wolff's partner was Dan Morse, reviving a pairing that was very successful three decades ago.

In the Spingold Knockout,

two of their teammates were Jon Baldursson and Magnus Magnusson, Icelandic stars who almost reached the Vanderbilt Knockout final in Reno.

Completing the squad were Roger Bates and Dr. George Rosenkranz, who were teammates but not partners in three major victories: the Vanderbilt in 1975 and 1976 and the Spingold in 1976.

As training for the Spingold, Bates and Rosenkranz played in a regional championship in Sacramento, California, in May.

On the diagramed deal, which helped them win a knockout team title, Rosenkranz found himself in four hearts doubled after West had overcalled in diamonds. East

was confident but was due for a disappointment.

West led the spade ace and continued the suit in the hope of giving his partner a ruff. South guessed right by putting up the king and discarded a club.

He then crossed to the diamond ace, finessed the club queen and cashed the club ace. He ruffed a club, ruffed a diamond, and led the spade 10.

East ruffed, South overruffed, and ruffed his remaining diamond with dummy's last trump. He now had eight tricks, and the ace-queen of trumps brought his total to 10.

If his spot cards in trumps had been better, he would have made an overtrick, but in

that case East might not have doubled.

Mr. Yeltsin, who signed the Parliament's first batch of fiscal reforms into law on Friday night, is said to be narrowing his choices for a new economic policy official who will be charged with coordinating the response of the government to its financial crisis.

Late summer and early fall in Russia has always been a time of fiscal pressure, as governments scramble for money to help bring in the harvest and to get ready for the deliveries of goods in Arctic regions, where the days are getting shorter and the temperatures are already beginning to drop. But the crisis brings much added pressure this year.

Several Western investors said the most significant news from the meeting last week with Prime Minister Sergei Kiriyenko and top Russian finance officials was what they

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Amsterdam, July 30, 1998

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SPORTS

In Trade-Loaded Day, Houston Acquires Fireballer Randy Johnson

By Murray Chass
New York Times Service

NEW YORK — In the most stunning development of a day loaded with 13 trades involving 48 players, the Houston Astros acquired Randy Johnson from the Seattle Mariners 10 minutes before the nonwaiver trading deadline.

The New York Yankees and the Cleveland Indians had been considered the leading contenders for the 34-year-old left-handed pitcher, but the Astros snatched him Friday night with a package of three minor-league players that was as surprising as their success in getting him. One player remains to be named.

The other players are Freddy Garcia, a 21-year-old pitcher, and Carlos Guillen, a 22-year-old infielder, both products of the Astros' state-of-the-art Venezuelan development program.

Although Gerry Hunsicker, the Houston general manager, had pursued Johnson for the past month, it took a series of half a dozen telephone conversations Friday to get what he wanted, a No. 1 starter for the team's rotation. It was not an easy day.

Woody Woodward, the Mariners' general manager, spent much of the time in his conversations with Hunsicker trying to get two of the Astros' best young players, the outfielder Richard Hidalgo and the pitcher Scott Elarton.

Hunsicker resisted and made a counter-offer.

"At 11 o'clock New York time, I didn't think we had a chance," Hunsicker said by telephone from Houston. "Then at 10 after 11, I decided to make one more call. That stimulated discussion, and they called back 10 minutes later and said they were seriously interested in our offer."

But as the clock seemed to move rapidly toward midnight, Woodward did not call back.

"When I hadn't heard from him at a quarter to 12, I was certain we weren't going to get it done," Hunsicker said. "I figured one of the other teams jumped in and increased their offer."

But at 10 minutes to midnight, Woodward called and accepted the Astros' package.

It was such a close call that when Hunsicker, following procedure, called Nancy Crofts, the National League's executive director of player records, to report the trade, she told him that her clock was precisely at midnight. A minute later, she said, and she would have to get permission to allow the trade.

It was a trade that prompted praise from other baseball people but also drew criticism. The Mariners had accepted all minor leaguers. They had expressed a desire for a major-league starting pitcher — Ramiro Mendoza from the Yankees, Dave Burba from the Cleveland Indians, for example — but now they had settled for none.

"I was surprised to see that Houston got him," said Tommy Lasorda, the Los Angeles Dodgers' interim general manager, who made a seven-player trade Friday with the Montreal Expos. "All the talk was it would be the Yankees or Cleveland. That was a shock when I heard Houston got him. The thing I don't understand is what they got after what they were asking."

Hunsicker somewhat took exception to the suggestion that the Mariners settled for players of little ability. He said that Garcia is considered one of the best half dozen or so minor-league pitchers and that Guillen could have been the Astros' starting shortstop or third baseman in a year or two.

MEANWHILE, Johnson is their No. 1 pitcher, and it is now the other National League contenders who will face what American League teams had been accustomed to and dreaded.

The Chicago Cubs have the most immediate concern because they are trying to catch the Astros in the NL Central.

Johnson, who had a 9-10 record after having completed a 75-20 record the previous five years, has sulked his way through the season in Seattle because the Mariners had not honored his request to trade him after they decided last winter they were not going to keep him after this season. Johnson has not commented on the trade, but

now that he has gained his wish, he is expected to revert to the consistently dominating pitcher he has been for the Mariners.

Houston wasn't the only team to engineer trades Friday, the last day players could be traded without clearing waivers.

The Texas Rangers, scratching and clawing their way through the American League West race, were the busiest club, creating half a new infield and swapping starting pitchers. But the Montreal Expos and the Los Angeles Dodgers executed the biggest and most intriguing transaction, the seven-player deal that makes teammates of the Guerrero brothers, Wilton and Vladimir.

The Dodgers, intent on winning the NL wild-card race, acquired Carlos Perez, the Expos' best pitcher, and the shortstop Mark Grudzielanek. The Expos gained Wilton Guerrero, a second baseman-outfielder, who at 23 is 16 months older than Vladimir, the Expos' hard-hitting right fielder, and three minor-league prospects.

The Dodgers also got a minor-leaguer.

The Rangers acquired the pitcher Todd Stoltz and the shortstop Royce Clayton from St. Louis for the pitcher Darren Oliver and the third baseman Fernando Tatis. The Rangers obtained the third baseman Todd Zeile from Florida for two minor-league players. They then released Kevin Elster, a shortstop.

The Toronto Blue Jays sent the pitcher Juan

Guzman to Baltimore for two young players.

In what was basically a swap of center fielders, the San Francisco Giants got Ellis Burks from Colorado for Darryl Hamilton. Burks, with 16 home runs to one for Hamilton, hits with more power, which is what the Giants were seeking.

Doug Melvin, the Texas general manager, operating out of a hotel room in Toronto, where the Rangers had played the night before, said he had juggled the hotel phone and his cell phone, talking to two general managers at the same time. Dave Dombrowski, the Marlins' general manager, was on the cell phone and Walt Jocketty of St. Louis was on the hotel phone.

"I had to make sure I could do both deals," Melvin said. "I couldn't give up Tatis without getting Zeile."

Tatis, who at 23 is nine years younger than Zeile, is a better defensive player but does not hit as well as Zeile. Tatis is batting .270 with three home runs and 32 runs batted in while Zeile is hitting .276 with 13 homers and 66 RBIs.

Zeile compiled those figures for two teams, the Dodgers and the Marlins. He was traded to the Marlins with Mike Piazza on May 15 for five players. Piazza left for the Mets a week later.

The Marlins received a pair of Class A players, the third baseman Jose Santo and the pitcher Daniel DeYoung for Zeile. The Marlins' payroll, \$53 million at the end of last season, \$33 million at the start of this one, is now \$14 million.

Braves Shut Out McGwire and Cards

The Associated Press

ATLANTA — Kevin Millwood and the Atlanta Braves again shut down Mark McGwire, and Ryan Klesko drove in two runs Sunday in a 4-3 victory over the St. Louis Cardinals.

McGwire went 0-for-4 and struck out three times. The major league home-run leader was hitless in 11 at-bats in the three-game series, striking out seven times and never getting a ball out of the infield.

Since hitting his 45th home run against Milwaukee on Tuesday, McGwire has had 18 at-bats without homering.

Millwood (12-6) pitched seven innings, gave up six hits and struck out eight, including McGwire twice.

Rudy Seanez struck out two in a scoreless eighth, and Kerry Ligtenberg pitched a perfect ninth for his 16th save.

The Braves overcame a 2-1 deficit with three unearned runs in the fifth inning. Walt Weiss singled and one out later Chipper Jones was safe when shortstop Luis Ozuna — called up from Triple-A Memphis earlier in the day — mis-played a grounder.

Klesko and Javy Lopez followed with

NL Roundup

run-scoring singles and Greg Colbrunn doubled in the last run to chase Bobby Witt (1-3).

The Braves took a 1-0 lead in the first when Keith Lockhart walked and scored on Klesko's double.

St. Louis took a 2-1 lead in the fourth. Ray Lankford walked, stole second and scored on Willie McGee's single. Witt doubled home McGee.

The Cardinals cut the lead to 4-3 in

the sixth when McGee doubled and scored on a single by Ozuna.

Witt gave up four runs and seven hits in 4½ innings with one walk and five strikeouts.

Padres 4, Expos 1 Andy Ashby, the San Diego pitcher, tied for the major-league lead with his 15th victory and Tony Gwynn hit a two-run homer as the Padres won in Montreal.

Ashby (15-6) won for his 10th in his last 12 decisions, holding the Expos to one run on six hits in eight innings. He struck out five and walked one while tying Boston's Pedro Martinez and the Yankees' David Cone for the most wins in the majors.

It was Ashby's first win in six career decisions against Montreal.

Ken Caminiti and Greg Myers hit solo homers in the sixth for San Diego. Caminiti hit his 20th homer on Javier Vazquez's first pitch of the inning to tie the game 1-1. After Wally Joyner's flyed out to the warning track in center, Myers hit his third homer of the season down the right-field line.

Trevor Hoffman pitched a perfect ninth for his 36th save.

Gwynn put the Padres ahead 4-1 with his 11th homer of the season with two out in the seventh.

Montreal's Vladimir Guerrero went 3-for-4 with a triple and an RBI single. He is hitting .412 with 11 homers in 25 games since the All-Star break.

Guerrero singled off Ashby with two out in the first to drive home his brother Wilton from second.

Wilton, who was acquired from Los Angeles on Friday in the seven-player trade that sent Carlos Perez and Mark Grudzielanek to the Dodgers, beat out a grounder to shortstop Chris Gomez for a one-out infield single in his first at-bat with the Expos.

Guerrero advanced to second on Derrick May's hit-and-run grounder to second baseman Quiroga Veras and came home on Vladimir's sharply hit grounder past Ashby into center.

Bonds and Bortolotto Ejected

The San Francisco star Barry Bonds charged the mound in the seventh inning after being hit by the Philadelphia reliever Ricky Bortolotto's first pitch Sunday, and both players were ejected after a bench-clearing brawl. The Associated Press reported from Philadelphia.

Bonds already was 4-for-4 with a home run, triple, two singles and three runs batted in. He also had stolen a base in the fifth inning when the Giants were up 9-2.

The Giants were ahead, 12-3, when Bonds was ejected.



READY TO GO — The Green Bay defensive line and the Kansas City offensive line preparing for a snap during an exhibition game Sunday in Tokyo. Ryan Longwell kicked a field goal 10 minutes into sudden-death overtime to give the Packers a 27-24 victory. On Saturday, Tampa Bay beat the Pittsburgh Steelers, 30-6, in the Hall of Fame game in Canton, Ohio. The Buccaneers amassed 342 yards on offense.

Pro Football Camp Is a Heartless Place

By Bill Pennington
New York Times Service

ALBANY, N.Y. — A year ago at the New York Giants' training camp, Omar Douglas, a 25-year-old wide receiver with plans to be a lawyer someday, was sprinting down the practice field in a drill designed to simulate the downfield charge of a kickoff.

There was an orange traffic cone, marking the spot where players were supposed to change direction. At full speed, Douglas planted his foot near the cone and heard a popping noise, as if someone were cracking his knuckles.

An instant later, he felt the pain in his left knee. Douglas fell headfirst with so much force that grass would wedge between the bars of his face mask. Douglas knew his season was over.

A doctor would later confirm Douglas's hunch. The diagnosis: torn anterior cruciate ligament.

Grimacing, with eyes shut, Douglas did not see Coach Jim Fassel reach for the cone and move it 10 yards to the left — away from the fallen Douglas.

"K... let's go," Fassel shouted to the lineup of players who had just watched the abrupt expiration of Douglas's season. "Next guy."

Fassel blew his whistle and training camp continued.

As trainers leaned over Douglas, his

teammates — in essence they were now his former teammates — sprinted past, as if he were another traffic cone.

"That's football," said Douglas, who is healed and back in camp. "We all know it. It's tough out there."

A pro football training camp is a heartless place where injuries are frequent, careers are squashed in an instant, and pity is nonexistent.

To those who have made football a profession, these unwritten codes of behavior are neither insensitive nor barbaric. They are deemed necessary, so that rough and rugged men can continue to play a rough and rugged game.

As Fassel, who is a gracious, courteous man with a friendly disposition, is fond of saying: "I'm not coaching choirboys. It is a loud and fierce world that they play in."

In training camp, where there are 80 players competing for roughly 53 spots on the active roster, the hitting is loud, the competition fierce, and mercy is a world away.

Some players have little chance of making the team; they are in camp to serve as an able body. Since no team wants to endanger star running backs by letting them go head-to-head with the first-team defense day after day in training camp, every team has a fifth- or sixth-string running back for the defense to pound on.

Running back Lamont Randle was the last player signed by the Giants before camp opened. Randle, from Division II Tarleton State University in Texas, knows his best hope with the Giants is to survive camp and maybe stick around as a practice-squad player.

For now, he is mostly a moving target for the defense.

"I don't mind; I'm helping the team," said Randle. "It will make me better in the long run. I've got time to show them what I can do."

Does he mind that the defense eases up on starting running back Tiki Barber, but lowers its shoulder on him?

"I come from the country in Texas," Randle said. "I grew up rough. I can take any lick."

During a practice last week, Joe Skiba, the team's assistant equipment manager, who ceaselessly retrieves footballs between plays, accidentally collided with Randle's defensive back Brandon Sanders during a scrimmage. Skiba was flattened by Sanders, who was moving at top speed.

Skiba was out for one knee slowly, blood spilling out from his chin and a cut lip.

Fassel walked over to see whether Skiba was all right. Assured that Skiba would, at most, need stitches, Fassel walked away. Then he turned and said: "Joe, you're in our way. You've got to move."

CROSSWORD

ACROSS

1 "Pow!"

5 Italian sports cars

10 Places for rent: Abbr.

14 So sore

15 Tennis star Agassi

16 Fox or turkey follower

17 "No way!"

18 Architect Saarinen

20 Busybody

21 Lid decoration?

22 B.O.D. and Reckling, e.g.

24 Moe's partner

26 The March King

27 "No way!"

31 Bus stations

34 Sneaky scheme

35 Money for old age, for short

36 — Stanley Gardner

37 Put in rollers

38 Hosiery problem

39 Woody's ex-mate

40 — de vivre

42 Churchill flashed them during W.W.II

44 "No way!"

47 Common sprain spot

48 Genre material, in brief

DOWN

1 Nymph charmer

2 Yellowish brown

3 Spots for goats

4 Clark of The Daily Planet

5 Arnie watchdog

6 Gruff

7 "An apple"

8 Auditors (for)

9 Light detectors

10 "Relax, private!"

11 Before

12 Matador's threat

13 Puck in overhead rack

16 Pinto

22 More than large

25 Complete jerk

27 Starlight coffee

28 Less constrained

29 Tehran's nation

30 Places for prices

31 Moore of "G.I. Jane"

32 Land of the leprechauns

36 Share (n)

37 Delivery entrance, often

38 Scooter

39 Counterpart

40 Other music player, informally

41 Home of Disney World

43 Florida's vehicle

45 Break into smithereens

46 Surge

48 Roving, as a knight

49 It needs a good cooling

50 In its original form, as a movie

51 Red vegetables

52 Moon vehicles

53 Psychiatrist's ready

54 Sicilian spouter

17 Finito

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50 In its original form, as a movie

51 Red vegetables

52 Moon vehicles

53 Psychiatrist's ready

54 Sicilian spouter

55 Angel's instrument

56 Doe's predecessor

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WORLD ROUNDUP

Costa Wins in 5 Sets

TENNIS Albert Costa battled for three hours before beating Andre Gaudenzi 6-2, 1-6, 6-2, 3-6, 6-1, in the final of the Generali Open in Kitzbuhel, Austria.

There was little drama in the two hour, 50 minute match between two clay court specialists as each set turned into a rout after an early service break.

"Maybe my mind was a little tired," Costa said. "You play every week, fight in every match and now and then you lose your concentration." (AP)

Burton Snatches Lead

GOLF Brandie Burton fired a 6-under-par 66 on Saturday to seize a three-stroke lead after the third round of the \$1.2 million du Maurier Classic in Windsor, Ontario. She was 18-under with a 198 total. The event is the final women's major championship of the season.

Tied for second, three shots off the lead, were Meg Mallon and two-time U.S. Women's Open champion Annika Sorenstam of Sweden, who each carded five-under 67s.

Se Ri Pak, the 20-year-old Korean who has won two major championships this year, was 12 shots back at 210. (AP)

All Blacks Slump Again

RUGBY UNION Australia beat New Zealand, 27-23, on Saturday to take a 2-0 lead in the three-match Bledisloe Cup and to draw level with South Africa in the Tri-Nations standings. It was Australia's first victory in New Zealand since 1990. It was also the All Blacks' third straight defeat, their worst streak since 1949.

Tom Bowman, Matthew Burke, Jason Little and Stephen Larkham scored tries for Australia, which led 27-9 before Christian Cullen and Jonah Lomu scored late tries for the home team. (AP, Reuters, AFP)

Gillespie on the Move

SOCCER Keith Gillespie, a 23-year-old winger, is to make the short move across the northeast of England from Newcastle United to Middlesbrough. Middlesbrough agreed Sunday to pay its Premier League rival £3.5 million for the Northern Ireland international.

Richard Murray, the chairman of Charlton Athletic, said his club, which will play in the Premier League this season, will not sign any more overseas players. Murray told The Observer newspaper, "We may be wrong, but we think that on a cold Tuesday night in Middlesbrough we'd rather have some Brits around."

Charlton has three foreign players: Australian goalkeeper Sasa Ilic and Andy Peterson and Nigerian striker Eneke Ifeagwa. But Murray said he did not regard them as foreigners, because they all spoke perfect English. (AFP)

Hakkinen Extends Championship Lead

Finn Dominates German Grand Prix As Schumacher's Challenge Falts

The Associated Press
HOCKENHEIM, Germany — Mika Hakkinen overcame late engine problems in his McLaren-Mercedes to capture the German Grand Prix on Sunday to move closer to his first Formula One championship.

Hakkinen led for almost all the race for his second straight victory and his sixth of the season.

The Finn extended his lead in the

FORMULA ONE

drivers' standings to 16 points over Michael Schumacher, who finished fifth. There are five races left in the season.

"There are still plenty of races left and anything can happen," Hakkinen said. "You have to keep pushing and go flat out and that's what I intend to do."

After his worst qualifying performance of the season when he had only the ninth fastest time, Schumacher did well to finish in the points. But he was unable to challenge the McLarens.

Hakkinen started from the pole position and never lost the first place except during his only pit stop in the 45-lap race.

He covered the 307.022-kilometer (190.774-mile) race distance in one hour, 20 minutes, 47.984 seconds.

Hakkinen's McLaren teammate David Coulthard of Britain came in second, 0.427 seconds behind, to repeat the finish from the Austrian Grand Prix one week ago.

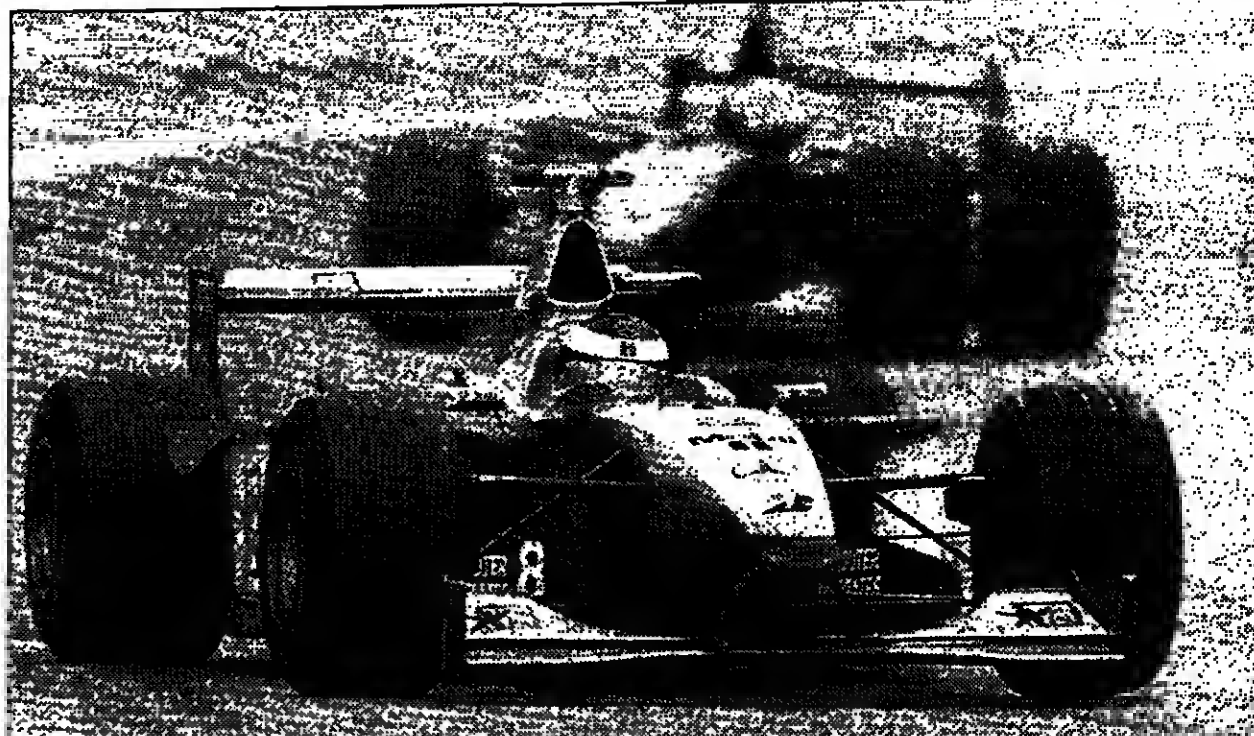
Hakkinen said he was worried at the end of the race because his car suddenly started losing power.

"My car was just losing performance, some oil was leaking, too," he said.

For McLaren, it was the seventh victory of the season and the fifth time Hakkinen and Coulthard finished 1-2. Coulthard has also won one race.

Coulthard said he could hardly see in the last few laps because of the leakage from Hakkinen's car.

"I don't think I really could have had a go at him. There was too much at



Mika Hakkinen storming to victory in the German Grand Prix on Sunday, followed by David Coulthard.

stake," Coulthard said.

For Mercedes, it was the first Formula One home victory since 1954.

Defending world champion Jacques Villeneuve of Canada posted his best finish of the season by coming in third in his Williams.

"I was trying to put pressure on the

McLarens and I noticed that Mika was having some problems. But then something broke in my car as well and I had to slow down," Villeneuve said.

"But we kept pace with them and it's good to be on the podium," said the Canadian, who was 2.5 seconds behind Hakkinen.

Former champion Damon Hill of Britain also had his best result of the year by finishing fourth in his Jordan.

The younger Schumacher brother, Ralf, was sixth, also in a Jordan. Ralf Schumacher was third after the start but he opted for two pit stops and dropped back.

TOUR: Beloved Race, Hit by Scandals, Limps Home

Continued from Page 1

Tom Steels, the Belgian sprinter who won his fourth stage in the race Sunday.

But they were pushed aside by the unprecedented turmoil, which included the expulsion on July 17 of the world's top-ranked team, Festina from France, after its *directeur sportif*, or coach, said that he had supplied his riders with drugs.

In all, two dozen riders, coaches, team doctors and masseurs have been brought in for judicial questioning and a quarter of them have been charged. Five Festina riders have admitted that they practiced doping with the artificial hormone EPO and the TVM team from the Netherlands is due in a French court Monday to testify in a related case.

Besides those two teams, members of two others have been taken into custody and suspicion has fallen on two more in the Tour's rolls of 21 teams. A leading rider, Rodolfo Massi, an Italian with the Casino team from France and the former best climber, has been arrested and more Festina riders will be heard in court this week.

The 96 riders remaining of the 198 who started were the smallest total since 1983, when 88 finished what 140 began. The overall mood Sunday was somber, with little of the rider skylarking en route that usually accompanies the last of 21 daily stages. This time few mugged for the television cameras, wore a hat snatched from a fan or rode backward on their saddles.

The atmosphere was summed up by Frankie Andreu, an American rider with the U.S. Postal Service team, who said he had been talking a few days ago with Patrick Jonker, a Dutchman with Rabobank. "He said that when he came onto the Champs-Elysees this year, he wouldn't have the same kind of tingling sensation of 'I finished the Tour and accomplished something.'"

"It's more like 'We made it to the Champs-Elysees and now we can get out of here and be done with the race,'" said Andreu, who has finished all seven of the Tours he has ridden.

Jean-Marie Leblanc, the director of the race,

echoed the feeling. Asked if he was happy that the race had continued despite two strikes by riders and a threat by them to go home before the finish, he said, "Happy? I'm happy only to reach Paris. Otherwise, I'm not happy."

Fan reaction was difficult to gauge since heavy rains nearly every other day reduced the number of spectators, a fact that could not be laid to indifference.

At the finish Sunday, the Champs-Elysees seemed as crowded as usual despite more rain and the start this weekend of the nation's four-week summer vacation.

For many, the Tour was still the Tour, a high point of the summer, and they were quick to dismiss the drug scandal.

Graham Jones, a Briton who rode five Tours between 1979 and 1987, follows the race now among the 750 journalists who cover it. Like them also, he judged that the race and sport were in a crisis, "the biggest that we've ever seen in cycling."

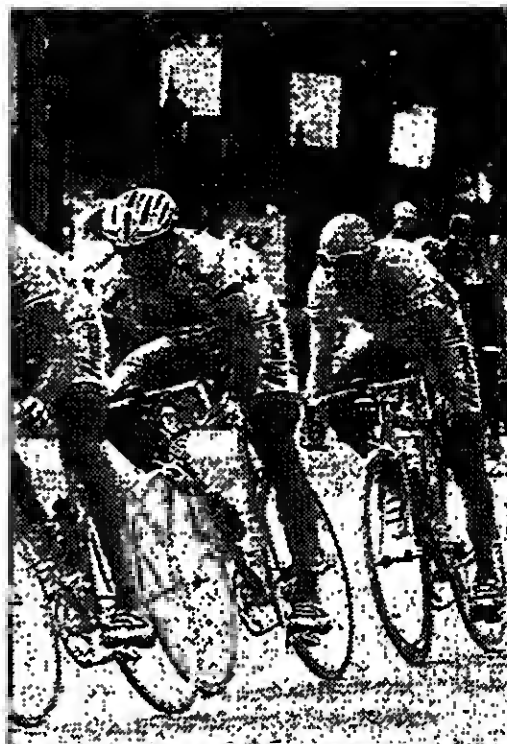
"Definitely a crisis," said Jean-Claude Leclercq, a former French national champion who rode five Tours and now works for Swiss television.

"A pity, a shame, a crisis for all of us," said Eddy Merckx, the Belgian champion who won the Tour five times and was with the race this year to watch his son, Axel, finish 10th overall.

Stephen Roche, the Irishman who won the race in 1988 and played a leading role at the start in Dublin, called this "a very rough time" but thought "some good has to come out of it."

"Everybody admits there's a problem and that cycling has to get its act together," he continued. "That's a good place to begin."

This unanimity cracks when questions are raised about who is to lead the investigation into the use of illegal drugs. Few riders and officials believe in the International Cycling Union, which governs the sport and whose president, Hein Verbruggen, spent the last, tumultuous half of the Tour on vacation in India. Fewer still trust in the efficiency of the many panels that will be set up or in the government officials who promise tighter laws on drugging.



Marco Pantani, right, riding to Tour victory.

"From past roundtables and conferences, I'd say nothing's going to happen," Andreu said in a typical comment. "It's so political and it's always the same guys involved and they want to stay in power. That's their political agenda."

With their investigative power and sophisticated laboratories, the police and the courts appear to many to be the only credible alternative.

"The sport will go on," said Mark Gorski, general manager of the U.S. Postal Service team. "They'll clean out whatever elements need to be cleaned out. If it's taken the French police to do it, then that's what it took."

Parnevik Wins Masters Title by 3-Shot Margin

Compiled by Our Staff From Dispatches

STOCKHOLM — Jesper Parnevik completed a profitable visit to his native Stockholm on Sunday with a three-shot victory in the Scandinavian Masters.

Parnevik compiled a 1-under-par final round of 70 for a final total of 273, 11-under par. Darren Clarke shot a 71 to finish at 276 and in second place for the second week. He was runner-up at the Dutch Open last week.

Stephen Field finished third. He birdied the last two holes, pitching in on the last for a round of 69 and a total of 277.

Nick Price scored two birdies on the back nine and Bob Estes came out of the pack with a 4-under-par 67 on Saturday to share the lead in the FedEx St. Jude Classic in Memphis.

Price, who has topped the leaders board all three days, shot a 70 to match Estes at 11-under 202.

John Daly was disqualified after walking off the course without signing his card. Daly was 3-under-par on the front nine before double-bogeying three holes on the back side.

Daly pulled a 5-iron shot out of bounds at the par-4 17th hole, took a drop and hit the same club over the green — and then broke the club. On No. 18 Daly hit his drive into the rough near the lake left of the fairway, hacked out and took his third double bogey of the round, finishing with 74.

He exchanged scorecards with Loren Roberts, then walked past the scorers' tent and away from the course without stopping to talk to anyone. (Reuters, AP)



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Czech Republic ♦	00-42-900-101	Israel ♦	1-800-94-94-949	Sweden ♦	020-795-611
Egypt (Cairo) ♦	510-0200	Italy ♦	072-1011	Switzerland ♦	0000-09-0011
France ♦	0-800-99-0011	Netherlands ♦	0800-022-1111	United Kingdom ♦	0800-09-0011
Germany ♦	0130-0610	Russia & (Moscow) ♦	755-0042	United States ♦	800-49-0011

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